Ideagen plc

Directors' Report and Consolidated Financial Statements

for the Year Ended 30 April 2013

Registration number: 02805019

Ideagen plc

Contents

Ideagen plc

Officers and advisors

Directors	Jonathan P Wearing – Non-Executive Chairman David R K Hornsby - Chief Executive Officer Graeme P Spenceley – Finance Director Les D Paul – Chief Technology Officer Alan M Carroll – Non-Executive Director
Secretary	Les D Paul
Registered Office	Lime Tree Business Park Lime Tree Road Matlock Derbyshire DE4 3EJ
Nominated advisor	finnCap Limited 60 New Broad Street LONDON EC2M 1JJ
Auditors	Baker Tilly Audit Limited Statutory Auditor The Poynt 45 Wollaton Street Nottingham NG1 5FW

I am pleased to announce our results for the year ended 30 April 2013. The year saw further transformation of the Company through continued organic revenue and profit growth and a fourth strategic acquisition. The acquisition of Plumtree Group Limited ("Plumtree") has provided the Company with over 125 new customers predominantly in the NHS and two strategic software products: dart EDM, an electronic medical records solution, and dart OCM, a medical order communications solution. During the year the Company invested in on-going product development, sales resource and additional management whilst delivering adjusted EPS** growth of 34%. In December 2012, the Company raised £6m before expenses through a placing at 19p to both new and existing investors to part-fund the acquisition of Plumtree and for future acquisitions.

The results and financial position of the Group are summarised on page 5.
**Before share based payments, amortisation of acquisition intangibles and exceptional items.

Strategy

The Directors' strategic objective is for the Company to become a leading supplier of Compliance based Information Management ('CIM') solutions. CIM is focused on the capture, storage, retrieval and distribution of 'unstructured' and 'semi-structured' information such as documents, electronic forms and content, email, video and scanned images. It has been independently estimated that 'unstructured' and 'semi-structured' 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. The Company is focused on providing Information Management solutions to organisations that are highly regulated and have a high consequence of failure.

Increasingly such organisations are obliged to demonstrate compliance with industry standards, regulations and KPIs which acts as a compelling driver for investment in the Company's products. The Directors believe that the Company's portfolio of products occupy a niche that comprises elements of two recognised market sectors; Enterprise Content Management (ECM) and Governance, Risk and Compliance (GRC). Our Intellectual Property includes formal document control combined with business process management in the areas of competency, audit, incident reporting and corrective action which provides a fully integrated compliance proposition. Additionally with the acquisition of Plumtree, the Company has established a strong position in the formal management and distribution of patient information.

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 market is fragmented with no dominant CIM 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 Company with the opportunity to develop a SaaS business model which we expect to drive significant new business growth and recurring revenue opportunities.

In July 2013, the Company acquired MSS Management Systems Services Ltd ("MSS"), a supplier of Accident and Emergency software solutions. This acquisition has greatly enhanced the Company's value proposition within healthcare, adding 10 acute trust customers and increasing the Company's recurring revenues to approximately £3.4m per annum. The Company now has over 500 customers many of which are blue chip organisations operating in highly regulated industries.

Sectors and Market Opportunity

Standards Management

The Company is focused on providing CIM solutions to businesses within highly regulated industries. The Company's solutions are used by companies to help them maintain compliance with internationally recognised standards and internal business processes.

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 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 successful Quality Management can improve business performance, often having a positive effect on investment, market share, sales growth, margin, competitive advantage and the avoidance of litigation.

Any organisation which has implemented a standards based quality management system, in the Directors' opinion, represents a potential customer for the Company 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.

Additionally, there are many industry specific standards, which are often based on ISO, which the Company's product can manage in an effective manner. Industries such as Pharmaceutical, Aerospace and Defence, Healthcare, Utilities and Manufacturing representing focus areas.

Clinical Information Management

Through the recent acquisitions of Plumtree and MSS the Company has established a footprint in the UK Healthcare sector. The failure of the National Programme for IT (NPfIT) to deliver an integrated patient records solution has provided an opportunity for agile vendors to provide point solutions to address specific information challenges. This opportunity has been confirmed recently by Jeremy Hunt, Minister of State for Health who has set objectives for a paperless NHS by 2018 with budget being made available to achieve this. The Company is focused on providing digitised solutions in three key areas:

1) Clinical Enterprise Repository to provide a single Electronic Medical Record
2) Order communications to provide automated ordering of services between GPs and Hospitals
3) Emergency Department Management.

The primary market for these solutions are the 166 Acute Trusts within England, the 14 Regional Health Boards in Scotland, 7 Local Health Boards in Wales and 5 Health Trusts in Northern Ireland. The Company has also identified an emerging opportunity for Order Communications software at hospitals in the Benelux region and private laboratories within the UK.

Staffing and Infrastructure

The Company has implemented a fully integrated company structure with functions covering Sales and Marketing, Customer Services and Support, Research and Development and Finance and Administration represented on the executive management team.

At 30 April 2013 the Company had 73 employees across the following functions: Sales and Marketing – 17, Customer Services and Support – 25, Research and Development – 19, Finance and Administration – 11, Chief Executive – 1. It is envisaged that headcount will increase over the coming year to generate and support future growth.

The Company currently has 7 locations, Stevenage, Matlock, Bristol, Sittingbourne, Nottingham, Poole and Schaumburg (USA). The Company has outsourced the delivery of our SaaS platform to Rackspace, a global provider of Data Centre services.

Outlook

We were pleased to announce, in July 2013, the acquisition of MSS Management Systems Services Ltd, a leading supplier of Accident and Emergency software solutions to the NHS and we continue to seek out further earnings enhancing acquisitions.

The company has a strong pipeline of business, and we have secured a number of new contracts in the new financial period including a £150,000 DartOCM contract announced in June 2013, two dart EDM contracts for a total of £700,000 announced in July and September 2013 and a £130,000 Patient First A&E contract through our new subsidiary, MSS, also announced in September 2013. In addition our recurring revenues and contract renewal rates remain high.

The Directors continue to look to the future with confidence.

David Hornsby

Chief Executive

3rd October 2013

Ideagen plc

Financial Review of the Year Ended 30 April 2013

Results

Revenue for the year ended 30 April 2013 increased by 63% to £6.51million (2012: £4.00millon) with a full year contribution from Proquis and a four month contribution from Plumtree, which was acquired in December 2012.

Adjusted EBITDA* increased by 71% to £2.02million (2012: £1.18million). Profit before taxation excluding amortisation of acquisition intangibles, share based payment charges and other exceptional items increased by 73% to £1.87million (2012: £1.08million).

Diluted adjusted earnings per share increased by 34% to 1.49 pence (2012: 1.11 pence).

Following the recent termination for convenience of the PRISM contract with the US Department of Veterans Affairs, the Group reviewed the value of its intangible assets and an exceptional impairment charge of £2,086,300 has been made in the Consolidated Statement of Comprehensive Income in the year ended 30 April 2013. The effect of this impairment is reduced by a deferred taxation credit of £667,616 and a further £100,000 credit to the Statement of Comprehensive Income in respect of a contingent consideration liability which is no longer required.

The other exceptional items in the Statement of Comprehensive Income were the costs of acquiring Plumtree of £87,224 (2012: £111,099 to acquire Proquis) and a gain of £150,299 in the fair value of contingent consideration linked to business combinations of which £100,000 has been referred to above. All of the costs associated with the Company's flotation on AIM, which amounted to £247,353, were charged in the year ended 30 April 2012.

Amortisation of acquisition intangibles increased to £983,859 (2012: £367,361) as a result of the additional intangibles acquired with both Plumtree and Proquis. Share-based payment charges amounting to £178,000 (2012: £78,000) in respect of the Company's share option scheme were also made in the Statement of Comprehensive Income. These are charges required by accounting standards and are not cash transactions.

Primarily due to the £2,086,300 exceptional impairment charge on the intangible asset noted above, the Group made a loss from operating activities for the year ended 30 April 2013 of £1,452,615 (2012: profit of £284,990).

Statement of financial position

The Group's financial position has continued to strengthen during the last year. Net assets increased to £12.28million at 30 April 2013 (2012: £5.79million) following the £6million share placing at 19 pence per share completed in January 2013 and the acquisition of Plumtree. Cash balances at 30 April 2013 were £6.37million (2012: £1.50million) and the Group had net current assets at 30 April 2013 of £4.95m (2012: net current liabilities of £0.79m). At 30 April 2013 the Group had no borrowings and deferred consideration liabilities on business combinations had been reduced to £0.1million.

The total consideration for the acquisition of Plumtree in December 2012 was £2.5million, of which £1.6million was settled in cash and £0.9 million was settled through the issue of new shares in Ideagen plc on the date of acquisition. There is no deferred consideration payable on this business combination.

The net post-tax loss of £1.42million from the impairment of intangibles associated with the PRISM contract referred to above has been charged to the Statement of Comprehensive Income however this loss has been realised against the Group's merger reserve within Equity. The Group's deferred equity consideration reserve was in respect of further potential share issues contingent upon the continuation of the PRISM contract. These share issues will not now take place and accordingly the remaining balance of £1.34m on the deferred equity consideration reserve has been transferred to retained earnings.

Cash flow

Operating cash inflows for the year ended 30 April 2013 were strong with cash generated by operations of £2.24million (2012: £1.26million) representing approximately 111% of adjusted EBITDA*.

The larger cash outflows in the year were in respect of the acquisition of Plumtree, payments of deferred consideration on business combinations from previous years, corporation tax and the continuing investment in developing the group's software.

*****Before share based payments and exceptional items

Graeme Spenceley

Finance Director

3rd October 2013

The directors present their report and the audited consolidated financial statements for the year ended 30 April 2013.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards adopted for use in the European Union and applicable law. Under company law the directors must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and 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 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

In so far as the directors, individually, are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Principal activities and business review

The principal activity of the group is the development and supply of software solutions and the provision of associated professional and support services. Further information on the activities of the Group and a review of the business is included in the Chief Executive's Report on pages 3 and 4.

Management commentary

The Group has not fully adopted the non-mandatory Practice Statement on 'Management Commentary' issued by the IASB in December 2010 however a number of elements of that Statement have been addressed within this set of reports and financial statements. The Directors have presented a level of commentary on the Group's results, financial position, products, customers and strategy within the Chief Executive's Report, the Financial Review and the Directors' Report which they consider appropriate to the Group's current circumstances and position. This level of commentary will be kept under review in future reporting periods.

Principal risks and uncertainties

Risk management is an important part of the management process throughout the Group and a policy of continuous improvement is adopted in assessing the adequacy of the internal system of controls. The Group's operations expose it to a variety of risks including strategic, economic, operational and financial. The management of the group monitors the exposures to these risks in order to limit the adverse effects of these risks on the financial performance of the Group.

Strategic. The Group operates in a dynamic market and constantly seeks to ensure the solutions it offers are competitive.

Economic. A worsening of the economic climate may lead to reduced spend on IT systems and services by customers. However, the Group has products and solutions which can help customers lower their cost base in difficult trading conditions and to some extent address compliance issues which need to be covered even in an economic downturn.

Operational. The Group's most significant assets are the intellectual property developed by the Group, the intangible assets acquired with business acquisitions and the employees of the Group. The Group's quality procedures seek to ensure that products are reliable and of high quality.

Financial. Management actively review the cash flow position of the Group both in the short and medium term and maintain a level of cash and debt finance facilities designed to ensure that the Group has sufficient funds for its operations. The greater part of the Group's revenues and costs are denominated in sterling however the Group is exposed to foreign exchange risk, principally through profits and cash inflows generated in US dollars by the Group's US subsidiary. The foreign exchange risk is partly addressed by maximising costs denominated in US dollars. Management closely monitors exchange rate fluctuations and will use forward contracts when considered to be appropriate to reduce this risk. The Group implements appropriate credit checks on potential customers before sales are made. The amount of exposure to individual customers is subject to a limit which is regularly reassessed.

Results and dividend

A summary of the results and financial position of the Group is included in the Financial Review on page 5 and details are set out in the financial statements.

No dividends have been paid during the year and no dividend is proposed in respect of the year.

Policy and practice on payment of creditors

The Company does not follow any standard code of practice on payment of creditors however it does endeavour to ensure all payments are made within mutually agreed credit terms. At 30 April 2013 trade payables represented 70 days of purchases (2012: 39 days). The increase in the number of days is primarily because a large proportion of trade payables at 30 April 2013 was related to third party products which had longer mutually agreed credit terms.

Directors

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

- Jonathan P Wearing
- David R K Hornsby
- Graeme P Spenceley
- Les D Paul
- Alan M Carroll (appointed 31 May 2012)
- Darren P Spillane (resigned 1 June 2012)
- Graham C Harrop (resigned 12 March 2013)

Auditors

Our auditors have changed their name to Baker Tilly Audit Limited and have signed the audit report in their new name.

Baker Tilly Audit Limited is willing to continue in office. In accordance with the Companies Act 2006, a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

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Les Paul
Director & Company Secretary

3rd October 2013

Independent Auditors' Report to the Shareholders of

Ideagen plc (Registration number: 02805019)

We have audited the financial statements of Ideagen plc for the year ended 30 April 2013 which comprise the Group and Parent Company Statements of Financial Position, the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Cash Flow, the Group and Parent Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

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 group's and the parent 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 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2013 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in 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 Shareholders of
Ideagen plc (Registration number: 02805019)

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Richard Eccles
Senior Statutory Auditor
for and on behalf of:
Baker Tilly Audit Limited, Statutory Auditor
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

3rd October 2013

Ideagen plc

Consolidated Statement of Comprehensive Income for the Year Ended 30 April 2013

	Note	Year ended 30 April 2013	Year ended 30 April 2012
		£	£
Revenue	2	6,514,427	4,002,207
Cost of sales		(869,057)	(382,049)
Gross profit		5,645,370	3,620,158
Operating costs		(3,629,626)	(2,441,535)
Profit from operating activities before depreciation, amortisation, share-payment charges and exceptional items	3	2,015,744	1,178,623
Depreciation and amortisation	3	(1,116,835)	(457,181)
Costs of acquiring businesses	18	(87,224)	(111,099)
AIM flotation expenses	3	-	(247,353)
Share-based payment charges	20	(178,000)	(78,000)
Impairment of acquisition intangible	3,9	(2,086,300)	-
(Loss) / Profit from operating activities		(1,452,615)	284,990
Movement in fair value of contingent consideration	15	150,299	-
Finance costs	6	(13,800)	(7,659)
(Loss) / Profit before taxation		(1,316,116)	277,331
Taxation credit / (expense)	3,7	511,576	(168,801)
(Loss) / Profit for the year		(804,540)	108,530
Other comprehensive income			
Exchange differences on translating foreign operation		(1,249)	7,920
Total comprehensive income for the year attributable to the owners of the parent company		(805,789)	116,450
Earnings per share		**pence**	**Pence**
Basic	8	(0.87)	0.15
Diluted	8	(0.87)	0.14

The notes on pages 21 to 52 form an integral part of these financial statements.

Ideagen plc (Registration number: 02805019)

Consolidated Statement of Financial Position at 30 April 2013

	Notes	30 April 2013 £	30 April 2012 £
Assets and liabilities			
Non-current assets			
Intangible assets	9	7,716,171	7,533,060
Property, plant and equipment	10	199,358	80,487
Deferred tax assets	7	206,000	230,540
		8,121,529	7,844,087
Current assets			
Trade and other receivables	12	1,972,469	1,167,083
Cash and cash equivalents		6,372,243	1,495,771
		8,344,712	2,662,854
Current liabilities			
Trade and other payables	13	1,636,073	1,014,775
Borrowings	14	-	106,652
Other financial liabilities	15	-	187,000
Current tax liabilities	16	311,180	174,394
Deferred revenue		1,345,364	1,053,245
Other liabilities	17	100,000	918,590
		3,392,617	3,454,656
Non-current liabilities			
Deferred tax liabilities	7	796,204	1,166,679
Other financial liabilities	15	-	100,000
		796,204	1,266,679
Net assets		12,277,420	5,785,606

The notes on pages 21 to 52 form an integral part of these financial statements.

Consolidated Statement of Financial Position at 30 April 2013 (continued)

	Notes	30 April 2013 £	30 April 2012 £
Equity			
Issued share capital	19	1,217,407	778,816
Share premium	19	6,867,390	1,408,443
Merger reserve	19	1,167,284	1,020,000
Share-based payments reserve	20	312,520	137,080
Retained earnings		2,706,148	753,347
Foreign currency translation reserve		6,671	7,920
Deferred equity consideration reserve	19	-	1,680,000
Equity attributable to owners of the parent		12,277,420	5,785,606

Approved and authorised for issue by the Board on 3rd October 2013 and signed on its behalf by:

.... ……………………………………

David Hornsby – Director **Graeme Spenceley** – Director

The notes on pages 21 to 52 form an integral part of these financial statements.

Ideagen plc (Registration number: 02805019)

Company Statement of financial position as at 30 April 2013

	Notes	30 April 2013 £	30 April 2012 £
Assets and liabilities			
Non-current assets			
Intangible assets	9	200,220	240,542
Property, plant and equipment	10	35,822	28,689
Investments in subsidiaries	11	6,814,599	5,682,599
Deferred tax asset	7	186,000	173,000
Trade and other receivables	12	167,054	167,054
		7,403,695	6,291,884
Current assets			
Trade and other receivables	12	599,637	639,110
Cash and cash equivalents		4,264,222	598,314
		4,863,859	1,237,424
Current liabilities			
Trade and other payables	13	372,886	949,164
Other financial liabilities	15	-	187,000
Deferred revenue		138,834	131,741
Other liabilities	17	100,000	918,590
		611,720	2,186,495
Non-current liabilities			
Other financial liabilities	15	-	100,000
		-	100,000
Net assets		11,655,834	5,242,813

The notes on pages 21 to 52 form an integral part of these financial statements.

Company Statement of financial position as at 30 April 2013 (continued)

	Notes	30 April 2013 £	30 April 2012 £
Equity			
Issued share capital	19	1,217,407	778,816
Share premium	19	6,867,390	1,408,443
Merger reserve	19	1,217,968	1,020,000
Share-based payments reserve	20	312,520	137,080
Retained earnings		2,040,549	218,474
Deferred equity consideration reserve	19	-	1,680,000
Equity attributable to the owners of the parent		11,655,834	5,242,813

Approved and authorised for issue by the Board on 3rd October 2013 and signed on its behalf by:

.... ……………………………………..

David Hornsby - Director **Graeme Spenceley** - Director

Ideagen plc

Consolidated statement of changes in equity for the year ended 30 April 2013

	Share capital	Share premium	Merger reserve	Share based payments reserve	Retained earnings	Foreign currency translation reserve	Deferred equity consideration reserve	Total attributable to owners of the parent
	£	£	£	£	£	£	£	£
Balance at 1 May 2012	**778,816**	**1,408,443**	**1,020,000**	**137,080**	**753,347**	**7,920**	**1,680,000**	**5,785,606**
Share placing (note 19)	315,789	5,684,211	-	-	-	-	-	6,000,000
Share placing issue costs	-	(228,264)	-	-	-	-	-	(228,264)
Shares issued as part consideration on a business combination (note 19)	45,000	-	855,000	-	-	-	-	900,000
Shares issued to satisfy contingent consideration on business combinations (note 19)	75,802	-	710,968	-	-	-	(343,903)	442,867
Shares issued under share option scheme (note 19)	2,000	3,000	-	-	-	-	-	5,000
Loss for the year	-	-	-	-	(804,540)	-	-	(804,540)
Other comprehensive income for the year	-	-	-	-	-	(1,249)	-	(1,249)
Share-based payments (note 20)	-	-	-	178,000	-	-	-	178,000
Transfer on exercise of share options (note 20)	-	-	-	(2,560)	2,560	-	-	-
Realisation of merger reserve on impairment of intangibles (note 19)	-	-	(1,418,684)	-	1,418,684	-	-	-
Reduction in deferred equity consideration reserve (note 19)	-	-	-	-	1,336,097	-	(1,336,097)	-
Balance at 30 April 2013	**1,217,407**	**6,867,390**	**1,167,284**	**312,520**	**2,706,148**	**6,671**	**-**	**12,277,420**

The notes on pages 21 to 52 form an integral part of these financial statements.

Ideagen plc

Consolidated statement of changes in equity for the year ended 30 April 2012

	Share capital	Share premium	Merger reserve	Share based payments reserve	Retained earnings	Foreign currency translation reserve	Deferred equity consideration reserve	Total attributable to owners of the parent
	£	£	£	£	£	£	£	£
Balance at 1 May 2011	**697,316**	**1,406,193**	**260,000**	**61,000**	**642,897**	**-**	**-**	**3,067,406**
Shares issued as part consideration on a business combination (note 19)	80,000	-	760,000	-	-	-	-	840,000
Shares issued under share option scheme (note 19)	1,500	2,250	-	-	-	-	-	3,750
Profit for the year	-	-	-	-	108,530	-	-	108,530
Other comprehensive income for the year	-	-	-	-	-	7,920	-	7,920
Share-based payments (note 20)	-	-	-	78,000	-	-	-	78,000
Transfer on exercise of share options (note 20)	-	-	-	(1,920)	1,920	-	-	-
Deferred equity consideration on a business combination (note 19)	-	-	-	-	-	-	1,680,000	1,680,000
Balance at 30 April 2012	**778,816**	**1,408,443**	**1,020,000**	**137,080**	**753,347**	**7,920**	**1,680,000**	**5,785,606**

The notes on pages 21 to 52 form an integral part of these financial statements.

Ideagen plc

Company statement of changes in equity for the year ended 30 April 2013

	Share capital	Share premium	Merger reserve	Share-based payments reserve	Retained earnings	Deferred equity consideration reserve	Total attributable to owners of the parent
	£	£	£	£	£	£	£
Balance at 1 May 2012	778,816	1,408,443	1,020,000	137,080	218,474	1,680,000	5,242,813
Share placing (note 19)	315,789	5,684,211	-	-	-	-	6,000,000
Share placing issue costs	-	(228,264)	-	-	-	-	(228,264)
Shares issued as part consideration on a business combination (note 19)	45,000	-	855,000	-	-	-	900,000
Shares issued to satisfy contingent consideration on business combinations (note 19)	75,802	-	710,968	-	-	(343,903)	442,867
Shares issued under share option scheme (note 19)	2,000	3,000	-	-	-	-	5,000
Share-based payments (note 20)	-	-	-	178,000	-	-	178,000
Transfer on exercise of share options (note 20)	-	-	-	(2,560)	2,560	-	-
Realisation of merger reserve on impairment of investment in subsidiary (note 19)	-	-	(1,368,000)	-	1,368,000	-	-
Reduction in deferred equity consideration reserve (note 19)	-	-	-	-	1,336,097	(1,336,097)	-
Loss for the year	-	-	-	-	(884,582)	-	(884,582)
Balance at 30 April 2013	1,217,407	6,867,390	1,217,968	312,520	2,040,549	-	11,655,834

The notes on pages 21 to 52 form an integral part of these financial statements.

Ideagen plc

Company statement of changes in equity for the year ended 30 April 2012

	Share capital	Share premium	Merger reserve	Share-based payments reserve	Retained earnings	Deferred equity consideration reserve	Total attributable to owners of the parent
	£	£	£	£	£	£	£
Balance at 1 May 2011	697,316	1,406,193	260,000	61,000	485,397	-	2,909,906
Shares issued as part consideration on a business combination (note 19)	80,000	-	760,000	-	-	-	840,000
Shares issued under share option scheme (note 19)	1,500	2,250	-	-	-	-	3,750
Share-based payments (note 20)	-	-	-	78,000	-	-	78,000
Transfer on exercise of share options (note 20)	-	-	-	(1,920)	1,920	-	-
Deferred equity consideration on a business combination (note 19)	-	-	-	-	-	1,680,000	1,680,000
Loss for the year	-	-	-	-	(268,843)	-	(268,843)
Balance at 30 April 2012	778,816	1,408,443	1,020,000	137,080	218,474	1,680,000	5,242,813

The notes on pages 21 to 52 form an integral part of these financial statements.

Ideagen plc

Consolidated statement of cash flows for the year ended 30 April 2013

	Note	Year ended 30 April 2013 £	Year ended 30 April 2012 £
Cash flows from operating activities			
(Loss)/Profit for the year		(804,540)	108,530
Depreciation of property, plant and equipment	10	57,043	30,304
Amortisation of intangible non-current assets	9	1,059,792	426,877
Profit on disposal of property, plant and equipment		(15,029)	-
Share-based payment charges	20	178,000	78,000
Finance costs recognised in profit or loss	6	13,800	7,659
Tax (credit)/charge recognised in profit or loss	7	(511,576)	168,801
Acquisition costs in profit or loss	18	87,224	111,099
Impairment of intangible assets		2,086,300	-
AIM flotation costs accrued in profit or loss		-	247,353
Net foreign exchange (gain)/loss in profit or loss		(12,964)	12,079
Gain recognised on fair value of contingent consideration	15	(150,299)	-
(Increase)/decrease in trade and other receivables		(319,185)	175,159
Increase/(decrease) in trade and other payables		628,173	(277,739)
(Decrease)/increase in deferred revenue liability		(59,335)	173,352
Cash generated by operations		2,237,404	1,261,474
Interest paid		(12,072)	(4,387)
Income tax paid		(256,776)	(152,966)
Acquisition costs paid		(96,769)	(50,554)
AIM flotation costs paid		(247,353)	-
Net cash generated by operating activities		1,624,434	1,053,567
Cash flows from investing activities			
Net cash (outflow)/inflow on acquisition of subsidiaries	18	(1,412,740)	34,600
Payments of deferred consideration on business combinations		(506,257)	(123,590)
Payments for intangible assets		(349,590)	(130,512)
Payments for property, plant and equipment		(121,665)	(31,764)
Proceeds of disposal of property, plant and equipment		20,525	-
Net cash used in investing activities		(2,369,727)	(251,266)
Cash flows from financing activities			
Proceeds from placing of equity shares	19	6,000,000	-
Payments for share issue costs	19	(228,264)	-
Proceeds from issue of shares under the share option schemes		5,000	3,750
Repayment of borrowings		(167,657)	(63,892)
Net cash generated/(used) by financing activities		5,609,079	(60,142)
Net increase in cash and cash equivalents during the year		4,863,786	742,159
Cash and cash equivalents at the beginning of the year	24	1,495,771	762,468
Effect of exchange rate changes on cash balances held in foreign currencies		12,686	(8,856)
Cash and cash equivalents at the end of the year	24	6,372,243	1,495,771

The notes on pages 21 to 52 form an integral part of these financial statements.

Ideagen plc

Company statement of cash flows for the year ended 30 April 2013

	Note	Year ended 30 April 2013 £	Year ended 30 April 2012 £
Cash flows from operating activities			
Loss for the year		(884,582)	(268,843)
Depreciation of property, plant and equipment	10	15,128	9,562
Amortisation of intangible non-current assets	9	63,602	55,270
Share-based payment charge	20	178,000	78,000
Finance costs recognised in profit or loss		14,206	7,520
Tax credit recognised in profit or loss		(13,000)	(1,000)
Acquisition costs in profit or loss		87,224	111,099
AIM flotation costs accrued in profit or loss		-	247,353
Impairment of investment in subsidiary	11	1,368,000	-
Gain recognised on fair value of contingent consideration	15	(150,299)	-
Decrease in trade and other receivables		51,394	393,743
Increase in intra-group debtors		(11,921)	(139,984)
Decrease in trade and other payables		(52,688)	(126,169)
(Decrease)/increase in intra-group creditors		(274,587)	277,862
Increase in deferred revenue		7,093	46,681
Cash generated by operations		397,570	691,094
Interest paid		(12,478)	(4,248)
Acquisition costs paid		(96,769)	(50,554)
AIM flotation costs paid		(247,353)	-
Net cash generated by operating activities		40,970	636,292
Cash flows from investing activities			
Payments for investments in subsidiaries	18	(1,600,000)	-
Payment of deferred consideration on business combinations		(506,257)	(123,590)
Payments for intangible assets		(23,280)	(56,540)
Payments for property, plant and equipment		(22,261)	(20,557)
Net cash used in investing activities		(2,151,798)	(200,687)
Cash flows from financing activities			
Proceeds from placing of equity shares	19	6,000,000	-
Payments for share issue costs	19	(228,264)	-
Proceeds from issue of shares under the share option schemes		5,000	3,750
Repayment of borrowings		-	(10,000)
Net cash generated/(used) by financing activities		5,776,736	(6,250)
Net increase in cash and cash equivalents during the year		3,665,908	429,355
Cash and cash equivalents at the beginning of the year	24	598,314	168,959
Cash and cash equivalents at the end of the year	24	4,264,222	598,314

The notes on pages 21 to 52 form an integral part of these financial statements.

1 Accounting policies

Reporting entity

Ideagen plc is a public limited company, incorporated and domiciled in England & Wales. The ordinary shares of the company are traded on the AIM market of the London Stock Exchange.

Statement of compliance

These financial statements have been prepared in accordance with all International Financial Reporting Standards (IFRSs), as adopted by the European Union, and IFRIC interpretations applicable as at 30 April 2013.

Basis of preparation

These financial statements have been prepared in sterling on an historical cost basis, unless otherwise stated, and have been rounded to the nearest pound.

The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to present its individual Statement of Comprehensive Income and related notes. The loss for the year dealt with in the financial statements of the parent Company for the year ended 30 April 2013 was £884,582 (2012: £268,843).

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 30 April 2013. Subsidiaries 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. The financial statements of all subsidiaries are prepared up to the same date as the parent Company.

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.

1 Accounting policies (continued)

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 year, 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 year. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, 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 year and comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, 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 statements 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. Deferred tax assets and deferred tax liabilities arising in different tax jurisdictions are not offset.

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.

1 Accounting policies (continued)

The Company's investments in subsidiaries

The Company recognises its investments in subsidiaries at cost less any impairment in its separate financial statements. Impairment is determined by assessing the recoverable amount of the investment. Where the recoverable amount 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.

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.

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.

The annual amortisation rates currently applied to the group's intangible assets are as follows:

Software	20% or 25%
Development costs	25%
Customer relationships	10%
Customer contract	20% (the length of the contract term)

Amortisation charges are included in 'Depreciation and amortisation' in the Consolidated Statement of Comprehensive Income.

Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated at 25% 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.

Impairment of assets

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.

1 Accounting policies (continued)

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 is initially measured at fair value at the date of completion of the acquisition.

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. The fair value of equity-settled transactions is charged to the Statement of Comprehensive Income over the period in which the service conditions are fulfilled with a corresponding credit to a share-based payments reserve in equity.

On the exercise of share options, an amount equal to the fair value of the option at the date it was granted is transferred from the share-based payments reserve into retained earnings.

1 Accounting policies (continued)

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year end date and the amounts reported for revenues and expenses during the year. 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 statements.

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 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.

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.

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 in the determination of control as the determining factor in whether an entity should be included in the consolidated financial statements of the parent company. This is not expected to have any impact on the financial statements of the Group.

1 Accounting policies (continued)

IFRSs in issue but not yet effective (continued)

IFRS 11 Joint arrangements

Effective for annual periods beginning on or after 1 January 2013. This standard focuses more on the rights and obligations of a joint arrangement rather than its legal form and requires a single method of accounting for interests in jointly controlled entities. The Group does not currently have any arrangements of this type.

IFRS 12 Disclosure of interests in other entities

Effective for annual periods beginning on or after 1 January 2013. IFRS 12 is a comprehensive standard which covers the disclosure requirements for all forms of interests in other entities including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group does not currently have an interest in any entities other than its wholly owned subsidiary undertakings.

IFRS 13 Fair value measurement

Effective for annual periods beginning on or after 1 January 2013. This standard provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. This standard will be adopted by the Group in the accounting period beginning on 1 May 2013. This is not expected to have any impact on the financial statements of the Group.

Amendments to IAS 1 Presentation of Financial Statements

Effective for annual periods beginning on or after 1 January 2013. The amendment to IAS1 will require that items included in Other Comprehensive Income that may be reclassified to the profit and loss section of the income statement should be grouped together. This does not currently have an impact on the financial statements of the Group.

Amendments to IAS 19 Employee Benefits

Effective for annual periods beginning on or after 1 January 2013. The amendment to IAS 19 makes a number of important changes to the accounting and disclosure requirements of defined benefit pension arrangements. The Group does not have any defined benefit pension arrangements and the accordingly the amendment will have no impact on the financial statements of the Group.

Amendment to IAS 16 Property, plant and equipment

Effective for annual periods beginning on or after 1 January 2013. IAS 16 has been amended with regards to the classification of servicing equipment. This does not currently have any impact on the financial statements of the Group.

Amendment to IAS 32 Financial instruments presentation

Effective for periods beginning on or after 1 January 2013. IAS 32 has been amended with regards to the tax effect of distributions to the holders of equity instruments. This does not currently have any impact on the financial statements of the Group.

2 Revenue

The group has a single reportable segment. An analysis of revenue by product or service is given below

	Year ended 30 April 2013	Year ended 30 April 2012
	£	£
Software licence sales	1,549,873	1,168,905
Maintenance and support	2,388,927	1,660,921
Professional services	2,133,624	1,172,381
Hardware and third party sales	442,003	-
	6,514,427	4,002,207

An analysis of external revenue by location of customers and non-current assets by location of assets is given below:

	External revenue by location of customers		Non-current assets by location of assets*	
	2013	2012	2013	2012
	£	£	£	£
United Kingdom	4,230,944	2,969,436	6,632,808	3,638,409
United States of America	1,944,439	810,216	10,984	2,662,501
Other	339,044	222,555	-	-
Unallocated	-	-	1,271,737	1,312,637
	6,514,427	4,002,207	7,915,529	7,613,547

*Non-current assets exclude deferred tax assets.

Annual revenue from one customer in the year ended 30 April 2013 amounted to £1,227,000 (2012: £565,000).

3 Profit from operating activities

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

	Year ended 30 April 2013 £	Year ended 30 April 2012 £
Auditors' remuneration:		
- The audit of the company's annual accounts	9,500	9,500
- The audit of the company's subsidiaries' annual accounts	27,000	20,000
- Tax Services	10,350	6,000
- Services in connection with the flotation of the company on AIM	-	58,700
- Other Services – due diligence	11,600	10,250
Operating lease charges – land & buildings	150,838	127,339
Profit on disposal of property, plant and equipment	(15,029)	-
Amortisation of acquisition-related intangible assets	983,859	367,361
Amortisation of other intangible assets	75,933	59,516
Total amortisation of intangible assets	1,059,792	426,877
Depreciation of owned PPE assets	57,043	30,304
Total depreciation and amortisation	1,116,835	457,181

An impairment loss of £2,086,300 has been recognised in the Consolidated Statement of Comprehensive Income for the year ended 30 April 2013 in respect of the impairment of an intangible asset. Further details are given in note 9. The deferred taxation credit associated with the impairment of this intangible asset of £667,616 has also been credited to the Statement of Comprehensive income within the heading 'Taxation credit/(expense)'.

The company completed a move from PLUS to AIM on 2 July 2012. The total AIM flotation expenses of £247,353 were expensed in the Statement of Comprehensive Income for the year ended 30 April 2012.

4 Particulars of employees

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

	Year ended 30 April 2013 No.	Year ended 30 April 2012 No.
Administrative staff	8	4
Sales and marketing	14	8
Technical and support	37	26
	59	38

The aggregate payroll costs of these persons were as follows:

	Year ended 30 April 2013 £	Year ended 30 April 2012 £
Wages and salaries	2,452,735	1,382,141
Social security costs	312,574	138,494
Other pension costs	20,378	5,885
Share based payment costs	178,000	78,000
	2,963,687	1,604,520

5 Directors' remuneration

The directors' remuneration (including fees) for the year was as follows:

	Year ended 30 April 2013 £	Year ended 30 April 2012 £
Directors' remuneration	416,676	261,016
Directors' pension contributions	-	-
	416,676	261,016

The remuneration of the directors of the company during the year ended 30 April 2013 was as follows:

	Salary or fees £	Bonuses £	Total £
David Hornsby	108,182	34,000	142,182
Graeme Spenceley	73,332	27,000	100,332
Les Paul	68,533	12,000	80,533
Jonathan Wearing	10,000	-	10,000
Alan Carroll	12,998	-	12,998
Graham Harrop (resigned 12 March 2013)	64,631	-	64,631
Darren Spillane (resigned 1 June 2012)	6,000	-	6,000
	343,676	73,000	416,676

Bonuses for Graeme Spenceley include a special payment of £15,000 in relation to the successful flotation of the company on AIM in July 2012. The remaining bonuses for Graeme Spenceley and David Hornsby were in respect of the successful completion of the acquisition and integration of Plumtree Group Ltd during the year and on achieving certain business related targets. The bonus for Les Paul was based on achieving certain business related targets.

The remuneration of the highest paid director during the year ended 30 April 2013 was £142,182. None of the directors accrued any benefits under company pension schemes or received any benefits in kind or made any gains from the exercise of share options during the year. The contracts of employment of the executive directors include notice periods of 6 months.

6 Finance costs

	Year ended 30 April 2013 £	Year ended 30 April 2012 £
Bank interest receivable	(1,325)	(620)
Bank loan interest payable	125	81
Other interest payable	15,000	8,198
	13,800	7,659

7 Taxation

The taxation (credit)/expense recognised in the Statement of Comprehensive Income can be analysed as follows:

	Year ended 30 April 2013 £	Year ended 30 April 2012 £
Current tax		
UK corporation tax on (loss)/profit for the current year	218,159	150,053
Overseas income tax charge	89,762	17,826
Adjustments in respect of prior years	(2,738)	(4,109)
	305,183	163,770
Deferred tax		
Deferred tax (credit)/expense for the current year	(808,124)	5,031
Adjustments to deferred tax in respect of prior years	(8,635)	-
Total deferred taxation (credit)/expense	(816,759)	5,031
Total taxation (credit)/expense recognised for the current year	(511,576)	168,801

Reconciliation of the current year tax (credit)/expense

The tax (credit)/expense for the year is higher than the standard rate of corporation tax in the UK of 24% (2012: 26%). The differences are reconciled below:

	Year ended 30 April 2013 £	Year ended 30 April 2012 £
(Loss) / Profit before taxation	(1,316,116)	277,331
Tax on (loss)/profit at standard rate of 24% (2012: 26%)	(315,868)	72,106
Expenses not deductible for tax purposes	94,590	146,730
Depreciation in excess of capital allowances	(898)	12,480
Gain not taxable	(36,072)	-
Marginal relief	(984)	-
Enhanced R&D tax relief	(18,622)	-
Effect on deferred tax from change in current tax rate	(15,644)	(1,480)
Different tax rates in overseas jurisdictions	(186,060)	13,154
Utilisation of tax losses brought forward	(45,185)	(70,080)
Movement in deferred tax asset in respect of trading losses	24,540	-
Adjustments recognised in current year tax in respect of prior years	(11,373)	(4,109)
Tax (credit)/expense recognised for the current year	(511,576)	168,801

The movement in recognised deferred tax assets and liabilities during the year was as follows:

Deferred tax asset: Trading losses	Group £	Company £
At 1 May 2011	213,000	172,000
Recognised in profit or loss	(57,230)	1,000
Recognised on a business combination	74,770	-
At 30 April 2012	230,540	173,000
Recognised in profit or loss	(24,540)	13,000
At 30 April 2013	206,000	186,000

7 Taxation (continued)

Group	Deferred tax liability: Intangibles £	Deferred tax liability: Other temporary differences £	Total £
At 1 May 2011	-	-	-
Recognised in profit or loss	52,199	-	52,199
Recognised on a business combination	(1,218,878)	-	(1,218,878)
At 30 April 2012	(1,166,679)	-	(1,166,679)
Recognised in profit or loss	874,632	(33,333)	841,299
Foreign exchange differences	-	(516)	(516)
Recognised on a business combination	(470,308)	-	(470,308)
At 30 April 2013	(762,355)	(33,849)	(796,204)

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 £1,700,000 at 30 April 2013 (2012: £1,853,000). Trading losses of £931,000 have been recognised in deferred tax at 30 April 2013 (2012: £968,000) and in addition there were trading losses not recognised in deferred tax carried forward in the Group at 30 April 2013 of £769,000 (2012: £885,000).

The group also has capital losses not recognised in deferred tax of £63,000 at 30 April 2013 (2012: £63,000).

8 Earnings per share

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

Diluted earnings per share is computed by dividing the profit or loss for the year attributable to equity holders of the parent by the weighted-average number of ordinary shares outstanding during the year as adjusted for the effect of all dilutive potential ordinary shares.

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

		Year ended 30 April 2013	
	Earnings £	Weighted average number of shares	Per-share amount Pence
Basic and diluted EPS			
Loss for the year attributable to equity holders of the parent	(804,540)	92,127,940	(0.87)

8 Earnings per share (continued)

	Year ended 30 April 2012		
	Earnings **£**	**Weighted average number of shares**	**Per-share amount** **Pence**
Basic EPS			
Profit for the year attributable to equity holders of the parent	108,530	72,191,394	0.15
Effect of dilutive securities: share options	-	3,678,023	
Diluted EPS			
Profit for the year attributable to equity holders of the parent	108,530	75,869,417	0.14

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 financial statements.

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

	Year ended 30 April 2013 **£**	**Year ended 30 April 2012** **£**
(Loss)/profit for the year attributable to equity holders of the parent	(804,540)	108,530
Adjustments:		
Costs of acquiring businesses	87,224	111,099
AIM flotation expenses	-	247,353
Share-based payment charges	178,000	78,000
Amortisation of acquisition-related intangibles (Note 3)	983,859	367,361
Deferred taxation on amortisation of acquisition-related intangibles	(268,390)	(69,952)
Movement in fair value of contingent consideration	(150,299)	-
Impairment loss recognised on acquisition intangible	2,086,300	-
Deferred taxation on impairment of acquisition intangible	(667,616)	-
Adjusted earnings	1,444,538	842,391
Weighted average number of shares: Basic adjusted EPS calculation	92,127,940	72,191,394
Effect of dilutive securities: share options	5,056,856	3,678,023
Weighted average number of shares: Diluted adjusted EPS calculation	97,184,796	75,869,417

	Year ended 30 April 2013 **pence**	**Year ended 30 April 2012** **Pence**
Adjusted earnings per share:		
Basic	1.57	1.17
Diluted	1.49	1.11

The calculation of adjusted earnings has been amended in 2013 to include an additional adjustment to deduct the deferred taxation credit associated with the amortisation of acquired intangibles. The directors consider that this approach better demonstrates the performance of the Group. This amended approach reduces the amount of adjusted earnings previously reported in 2012 by £69,952 to £842,391 and reduces adjusted basic earnings per share for 2012 to 1.17 pence (previously 1.26 pence) and adjusted diluted earnings per share to 1.11 pence (previously 1.20 pence).

9 Intangible assets

Group

	Goodwill £	Software £	Customer relationships £	Development costs £	Customer contract	Total £
Cost						
At 1 May 2011	1,813,398	368,269	905,000	146,041	-	3,232,708
Acquisition through business combination	916,037	568,000	409,000	-	2,823,000	4,716,037
Additions from internal development	-	-	-	130,512	-	130,512
At 30 April 2012	2,729,435	936,269	1,314,000	276,553	2,823,000	8,079,257
Acquisition through business combination	689,613	1,206,000	1,084,000	-	-	2,979,613
Additions from internal development	-	-	-	349,590	-	349,590
At 30 April 2013	3,419,048	2,142,269	2,398,000	626,143	2,823,000	11,408,460
Amortisation						
At 1 May 2011	-	75,220	44,100	-	-	119,320
Amortisation expense	-	124,735	102,900	27,542	171,700	426,877
At 30 April 2012	-	199,955	147,000	27,542	171,700	546,197
Amortisation expense	-	278,733	170,400	45,659	565,000	1,059,792
Impairment recognised in statement of comprehensive income	-	-	-	-	2,086,300	2,086,300
At 30 April 2013	-	478,688	317,400	73,201	2,823,000	3,692,289
Net carrying amount						
At 30 April 2013	3,419,048	1,663,581	2,080,600	552,942	-	7,716,171
At 30 April 2012	2,729,435	736,314	1,167,000	249,011	2,651,300	7,533,060

The customer contract was acquired in a business combination in 2012 and was being amortised over the expected life of the contract of 5 years. The contract included a ‘termination for convenience clause’ and in May 2013 the Company was informed by the customer that this clause was being invoked and that the contract would come to an end with immediate effect.

The remaining unamortised value of this intangible asset was considered to be impaired in full and an impairment loss of £2,086,300 has been recognised in the Consolidated Statement of Comprehensive income for the year ended 30 April 2013.

9 Intangible assets (continued)

Goodwill

Goodwill arose on the acquisition of Ideagen Capture Limited in March 2010, on the acquisition of Filebutton Limited/Ideagen Software Limited in April 2011, on the acquisition of Proquis Limited in January 2012 and on the acquisition of Plumtree Group Limited in December 2012. See note 18 for further information.

The carrying amount of goodwill included in the Ideagen Capture cash-generating unit was £686,005 and the carrying amount of goodwill included in the Ideagen Software/Filebutton/Proquis cash-generating unit was £2,043,430. The carrying amount of goodwill included in the Plumtree Group cash-generating unit was £689,613. These amounts were tested for impairment at 30 April 2013 by comparing the carrying value of the cash-generating unit 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 these businesses for the next 2 years are based on budgets and forecasts approved by the Board which are closely linked with recent historical performance and current sales opportunities. The operating cash flow budget is most sensitive to the level of new business sales.

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

(iii) A discount rate of 9% has been used.

Ideagen Capture

On the basis of the above assumptions, over a 15 year period the recoverable amount of the unit based on value in use is estimated to exceed the carrying amount by £692,000. Over a 10 year period, the recoverable amount of the unit based on value in use is estimated to exceed the carrying amount by £372,000. Annual operating cash inflows would need to be consistently 30% below the no-growth assumption used in the value in use calculation over a 10 year period to cause the carrying amount to exceed the recoverable amount. Over a 15 year value in use period, operating cash inflows would need to be consistently 44% below the no-growth assumption used in the value in use calculation to cause the carrying amount to exceed the recoverable amount. The directors do not currently expect this to happen based on the historic sales performance of the business and actions being taken to grow the business further.

Ideagen Software / Filebutton / Proquis

On the basis of the above assumptions, over a 15 year period the recoverable amount of the unit based on value in use is estimated to exceed the carrying amount by £3,586,000. Over a 10 year period, the recoverable amount of the unit based on value in use is estimated to exceed the carrying amount by £2,134,000. Annual operating cash inflows would need to be consistently 38% below the no-growth assumption used in the value in use calculation over a 10 year period to cause the carrying amount to exceed the recoverable amount. Over a 15 year value in use period, operating cash inflows would need to be consistently 52% below the no-growth assumption used in the value in use calculation to cause the carrying amount to exceed the recoverable amount. The directors do not currently expect this to happen based on the historic sales performance of the business and actions being taken to grow the business further.

Plumtree Group

On the basis of the above assumptions, over a 15 year period the recoverable amount of the unit based on value in use is estimated to exceed the carrying amount by £2,045,000. Over a 10 year period, the recoverable amount of the unit based on value in use is estimated to exceed the carrying amount by £965,000. Annual operating cash inflows would need to be consistently 23% below the no-growth assumption used in the value in use calculation over a 10 year period to cause the carrying amount to exceed the recoverable amount. Over a 15 year value in use period, operating cash inflows would need to be consistently 39% below the no-growth assumption used in the value in use calculation to cause the carrying amount to exceed the recoverable amount. The directors do not currently expect this to happen based on the historic sales performance of the business and actions being taken to grow the business further.

Development costs

Development costs are internally generated. At 30 April 2013, the carrying amount of ongoing development projects on which amortisation has not yet commenced was £437,085 (2012: £130,512). At 30 April 2013, the carrying amount of completed development projects on which amortisation is being charged is £115,857 (2012: £118,499). The weighted average remaining amortisation period of these assets at 30 April 2013 is 2.5 years (2012: 3.3 years).

9 Intangible assets (continued)

The remaining amortisation periods and carrying amounts of the Group's other intangible assets are as follows:

	30 April 2013 Remaining amortisation period (years)	30 April 2012 Remaining amortisation period (years)	30 April 2013 Carrying amount £	30 April 2012 Carrying amount £
Ideagen Capture				
Customer relationships	7.2	8.2	347,400	395,900
Software	2.0	3.0	8,050	21,511
Ideagen Software				
Customer relationships	7.9	8.9	332,500	374,500
Software	2.9	3.9	79,917	107,317
Proquis				
Customer relationships	8.7	9.7	355,700	396,600
Software	3.6	4.6	416,473	531,800
Customer contract	-	4.6	-	2,651,300
Plumtree				
Customer relationships	9.6	-	1,045,000	-
Software	4.6	-	1,113,729	-
Ideagen plc				
Software	1.5	2.5	45,412	75,686

Company

The intangible assets of the Company are as follows:

	Software £	Development costs £	Total £
Cost			
At 1 May 2011	121,097	133,312	254,409
Additions from internal development	-	56,540	56,540
At 30 April 2012	121,097	189,852	310,949
Additions from internal development	-	23,280	23,280
At 30 April 2013	121,097	213,132	334,229
Amortisation			
At 1 May 2011	15,137	-	15,137
Amortisation expense	30,274	24,996	55,270
At 30 April 2012	45,411	24,996	70,407
Amortisation expense	30,274	33,328	63,602
At 30 April 2013	75,685	58,324	134,009
Net carrying amount			
At 30 April 2013	45,412	154,808	200,220
At 30 April 2012	75,686	164,856	240,542

10 Property, plant and equipment

Group

	Fixtures and fittings	Office equipment	Motor vehicles	Leasehold improvements	Loan equipment	Total
	£	£	£	£	£	£
Cost						
At 1 May 2011	46,128	147,259	-	-	-	193,387
Additions	630	26,261	4,873	-	-	31,764
Acquisition through business combination	-	9,676	-	-	-	9,676
Foreign currency exchange differences	-	(269)	(135)	-	-	(404)
At 30 April 2012	46,758	182,927	4,738	-	-	234,423
Additions	2,511	41,565	-	11,471	66,118	121,665
Acquisition through business combination	12,461	23,048	2,709	15,088	6,104	59,410
Disposals	-	-	(7,598)	-	-	(7,598)
Foreign currency exchange differences	-	408	151	98	-	657
At 30 April 2013	61,730	247,948	-	26,657	72,222	408,557
Depreciation						
At 1 May 2011	20,344	103,301	-	-	-	123,645
Depreciation expense	4,541	25,632	131	-	-	30,304
Foreign currency exchange differences	-	(9)	(4)	-	-	(13)
At 30 April 2012	24,885	128,924	127	-	-	153,936
Depreciation expense	7,033	37,349	1,958	3,524	7,179	57,043
Disposals	-	-	(2,102)	-	-	(2,102)
Foreign currency exchange differences	-	286	17	19	-	322
At 30 April 2013	31,918	166,559	-	3,543	7,179	209,199
Net carrying amount						
At 30 April 2013	29,812	81,389	-	23,114	65,043	199,358
At 30 April 2012	21,873	54,003	4,611	-	-	80,487

10 Property, plant and equipment (continued)

Company

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 May 2011	21,680	109,755	131,435
Additions	-	20,557	20,557
At 30 April 2012	21,680	130,312	151,992
Additions	1,709	20,552	22,261
At 30 April 2013	23,389	150,864	174,253
Accumulated depreciation			
At 1 May 2011	16,697	97,044	113,741
Depreciation expense	1,246	8,316	9,562
At 30 April 2012	17,943	105,360	123,303
Depreciation expense	1,673	13,455	15,128
At 30 April 2013	19,616	118,815	138,431
Net carrying amount			
As at 30 April 2013	3,773	32,049	35,822
As at 30 April 2012	3,737	24,952	28,689

11 Fixed asset investments

Company

	Shares in subsidiaries
Cost	**£**
As at 1 May 2011	2,442,599
Addition in the year	3,240,000
As at 30 April 2012	5,682,599
Addition in the year	2,500,000
As at 30 April 2013	8,182,599
Impairments	
As at 1 May 2011 and 1 May 2012	-
Impairment recognised in statement of comprehensive income	1,368,000
As at 30 April 2013	1,368,000
Net carrying amount	
As at 30 April 2013	6,814,599
As at 30 April 2012	5,682,599

Details of investments in which the Company held 20% or more of the nominal value of any class of share capital as at 30 April 2013 are set out below. All of these subsidiaries are incorporated in England & Wales with the exception of Proquis Inc. which is incorporated in the United States.

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
Plumtree Group Limited	Sale of software licences, software maintenance and related professional services	Ordinary and ‘B’ Ordinary	100
Proquis Inc.	Sale of software licences, software maintenance and related professional services	Ordinary	100
Proquis Limited	Dormant from 1 May 2013	Ordinary	100
Filebutton Limited	Dormant	Ordinary	100
Root3 Systems Limited	Dormant	Ordinary	100
Ideagen Systems Limited	Dormant	Ordinary	100

12 Trade and other receivables

Group

	30 April 2013 £	30 April 2012 £
Trade receivables	1,575,218	1,090,113
Prepayments and accrued income	359,079	54,972
Other receivables	38,172	21,998
	1,972,469	1,167,083

Company

	30 April 2013 £	30 April 2012 £
Current		
Trade receivables	252,039	319,109
Prepayments and accrued income	9,550	10,048
Amounts receivable from subsidiaries	299,876	287,955
Other receivables	38,172	21,998
	599,637	639,110
Non-Current		
Amounts receivable from subsidiaries	167,054	167,054

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. Trade receivables include amounts that are past due at the reporting date for which no allowance for doubtful debts has been recognised because these amounts are still considered to be recoverable. The group does not hold any collateral or other credit enhancements over its trade receivable balances.

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

Group	30 April 2013 £	30 April 2012 £
Not yet overdue	779,463	621,533
1 – 30 days overdue	442,845	272,225
30 – 60 days overdue	76,409	50,819
60+ days overdue	296,399	157,288
	1,595,116	1,101,865
Allowance for doubtful debts (all against debts 60+ days overdue)	(19,898)	(11,752)
	1,575,218	1,090,113

12 Trade and other receivables (continued)

Company

	30 April 2013 £	30 April 2012 £
Not yet overdue	94,833	43,465
1 – 30 days overdue	55,078	168,199
30 – 60 days overdue	45,043	-
60+ days overdue	75,085	116,894
	270,039	328,558
Allowance for doubtful debts (all against debts 60+ days overdue)	(18,000)	(9,449)
	252,039	319,109

Trade receivables are shown net of an allowance for doubtful debts, movements on which are set out below.

Group	30 April 2013 £	30 April 2012 £
Balance at the start of the year	11,752	17,071
On acquisition of business	-	1,741
Impairment losses recognised	8,551	88,386
Amounts written off as uncollectable	(446)	(95,407)
Foreign exchange differences	41	(39)
Balance at the end of the year	19,898	11,752

Company	30 April 2013 £	30 April 2012 £
Balance at the start of the year	9,449	9,450
Impairment losses recognised	8,551	87,785
Amounts written off as uncollectable	-	(87,786)
Balance at the end of the year	18,000	9,449

13 Trade and other payables

Group

	30 April 2013 £	30 April 2012 £
Trade payables	895,736	272,954
Other taxes and social security payables	380,611	233,732
Accruals	359,726	508,089
	1,636,073	1,014,775

13 Trade and other payables (continued)

Company

	30 April 2013 £	30 April 2012 £
Trade payables	83,807	143,272
Other taxes and social security payables	150,533	145,500
Amounts payable to subsidiaries	3,275	277,862
Accruals	135,271	382,530
	372,886	949,164

14 Borrowings

Group

	30 April 2013 £	30 April 2012 £
Current		
Bank loan	-	6,737
Other loans	-	99,915
	-	106,652

Interest was payable at 5% per annum over the bank base rate on the amounts owed on the bank loan. The bank loan was secured by a fixed and floating charge over the assets of a subsidiary company.

Other loans at 30 April 2012 are loans to two subsidiary companies which were acquired during 2012 from two directors of those subsidiary companies. Interest was payable at 3.18% per annum on £31,664 of these other loans at 30 April 2012. The remaining other loans were non-interest bearing.

All of the group's borrowings at 30 April 2012 were repayable in less than one year.

15 Other financial liabilities

Group and Company

	30 April 2013 £	30 April 2012 £
Current		
Contingent consideration on the acquisition of Ideagen Capture Limited	-	187,000
	-	187,000
Non-Current		
Contingent consideration on the acquisition of Proquis Limited (Note 18)	-	100,000
	-	100,000

Part of the consideration for the acquisition of Ideagen Capture Limited in March 2010 was contingent on the achievement of certain revenue and profitability targets in the period following the acquisition. The contingent consideration payable under this arrangement was agreed during the year ended 30 April 2013 at a total of £136,701 of which £113,834 was payable in cash and the remainder through the issue of 304,880 ordinary shares in Ideagen plc. The shares were issued in February 2013 and at 30 April 2013, £107,667 of the cash under this arrangement had been paid with the remainder being paid in May 2013.

The resulting gain of £50,299 was included as a movement in the fair value of contingent consideration in the Statement of Comprehensive Income for the year ended 30 April 2013.

On the acquisition of Proquis Limited in January 2012, a cash payment of £100,000 would become payable in 2016 contingent on the renewal of a contract option by a customer. As explained further in notes 9 and 18, this contract is no longer ongoing and accordingly the cash payment will not become payable. The resulting gain of £100,000 has been included as a movement in the fair value of contingent consideration in the Statement of Comprehensive Income for the year ended 30 April 2013.

16 Current tax liabilities

Group

	30 April 2013 £	30 April 2012 £
Current income tax liabilities	311,180	174,394
	311,180	174,394

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17 Other liabilities

Group and Company

	30 April 2013 £	30 April 2012 £
Deferred consideration on acquisition of Filebutton Limited (Note 18)	100,000	298,590
Deferred consideration on acquisition of Proquis Limited	-	200,000
Contingent consideration on acquisition of Proquis Limited	-	420,000
	100,000	918,590

The remaining deferred consideration payable at 30 April 2012 of £298,590 in respect of the acquisition of Filebutton Limited was payable in three instalments of £98,590 in May 2012, £100,000 in November 2012 and £100,000 in May 2013. Interest was payable on £200,000 of the £298,590 balance at 30 April 2012 at 10% per annum. The final payment of £100,000 was made in May 2013.

The deferred consideration on acquisition of Proquis Limited of £200,000 was paid in cash in May 2012. The contingent consideration on the acquisition of Proquis Limited of £420,000 was settled in full by the issue of 4,000,000 new ordinary shares in Ideagen plc at 10.5 pence per share in January 2013. Further information on deferred and contingent consideration is given in Note 18.

18 Business combinations

Acquisition of Plumtree Group Limited

On 21 December 2012, the company acquired 100% of the issued ordinary share capital of Plumtree Group Limited, a company domiciled in England. The acquisition of Plumtree Group Limited is expected to enhance the Group's existing business through the addition of a significant number of NHS customers together with intellectual property and a recurring revenue stream.

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

	£
Non-current assets	
Customer relationships intangible	1,084,000
Software intangible	1,206,000
Property plant and equipment	59,410
Current assets	
Trade and other receivables	476,027
Cash and cash equivalents	187,260
Current liabilities	
Trade and other payables	(241,120)
Deferred revenue	(343,620)
Current income tax	(87,262)
Other loans	(60,000)
Non-current liabilities	
Deferred tax	(470,308)
Net identifiable assets acquired	1,810,387

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

18 Business Combinations (continued)

The fair value of the consideration at the date of acquisition is as follows:	£
Shares issued at completion	900,000
Cash paid at completion	1,600,000
Total consideration	2,500,000

The consideration payable in shares was satisfied by the issue of 4,500,000 shares in Ideagen plc at 20 pence per share.

Goodwill arising on acquisition is as follows:	£
Fair value of consideration at date of acquisition	2,500,000
Less: fair value of net identifiable assets acquired	(1,810,387)
Goodwill arising on acquisition	689,613

Goodwill arose on the acquisition of Plumtree Group Limited as the consideration paid for the combination effectively included amounts in relation to the benefit of revenue growth, expected synergies and the assembled workforce of Plumtree Group 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 is expected to be deductible for tax purposes.

The costs of the acquisition of £87,224 have been expensed as a separate line within the Statement of Comprehensive Income for the year ended 30 April 2013. The Statement of Comprehensive Income for the year ended 30 April 2013 includes revenue of £1,641,000 and profit after taxation of £423,000 in respect of the subsidiary acquired. Disclosure of information on revenue and profit or loss for the combined entity as though the acquisition of Plumtree Group Limited had been completed on 1 May 2012 is impracticable as the accounting reference date for Plumtree was previously 31 March and it did not prepare comparable revenue and profit information on a monthly basis.

Net cash outflow on acquisition of Plumtree Group Limited:	£
Consideration paid in cash	1,600,000
Less: cash acquired in subsidiary	(187,260)
Net cash outflow on acquisition of subsidiary	1,412,740

18 Business Combinations (continued)

Acquisition of Proquis Limited

On 10 January 2012, the company acquired 100% of the issued ordinary share capital of Proquis Limited, a company domiciled in England together with its subsidiary Proquis Inc. which is domiciled in the United States of America. The acquisition of Proquis is expected to enhance the Group's existing business through the addition of the client base of Proquis and by providing access to a highly scalable technology platform.

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

	£
Non-current assets	
Customer relationships intangible	409,000
Software intangible	568,000
Customer contract intangible	2,823,000
Property plant and equipment	9,676
Deferred tax asset	74,770
Current assets	
Trade and other receivables	247,905
Cash and cash equivalents	34,600
Current liabilities	
Trade and other payables	(123,887)
Deferred revenue	(312,077)
Current tax	(25,868)
Bank loans	(16,597)
Other loans	(145,681)
Non-current liabilities	
Deferred tax	(1,218,878)
Net identifiable assets acquired	2,323,963

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

The fair value of the consideration at the date of acquisition is as follows:	£
Shares issued on acquisition	840,000
Cash payment on 1 May 2012 (included in Other Liabilities)	200,000
Contingent consideration payable in shares (included in Other Liabilities)	420,000
Contingent consideration payable in shares (included in Equity)	1,680,000
Contingent consideration payable in cash (included in Non-Current Other financial liabilities)	100,000
Total consideration	3,240,000

The fair value of the consideration payable at the date of acquisition was £3.24million 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 £840,000 satisfied by the issue of 8 million ordinary shares in Ideagen plc issued at 10.5 pence per share. Deferred cash consideration of £200,000 was paid on 1 May 2012.

18 Business combinations (continued)

The Share Purchase Agreement in respect of the acquisition of Proquis Limited provided for the possibility of further contingent consideration of up to 20 million ordinary shares in Ideagen plc at 10.5 pence per share plus a further contingent cash payment of £100,000. This further consideration was contingent upon 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 renewal of an option by that major customer to continue with a particular contract. The maximum further contingent consideration set out in the Share Purchase Agreement was as follows:

- 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 were contingent on the level of revenue from a major US customer in the twelve months following acquisition. The remaining 3,275,270 shares were contingent on the renewal of an option by the same major US customer in November 2012 to continue with a particular contract. The conditions for the issue of the 7,275,270 shares outlined above were met and these shares were issued on 10 January 2013.

All of the remaining potential issues of shares and cash payments noted above from 2014 onwards were contingent on the renewal of annual options by the same customer on the same contract. If the option were to be renewed each year, the above amounts would 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.

In May 2013, the company was informed that the major US customer referred to above was ending the contract and would not therefore be renewing any further annual options. Accordingly, the contingent conditions for the future issue of the 12,724,730 shares in January 2014 and January 2015 noted above and the further cash payments totalling £100,000 in 2016 cannot now be met and as such these share issues and cash payments will not be required. Further information is included in note 19.

Goodwill arising on acquisition is as follows:	£
Fair value of consideration at date of acquisition	3,240,000
Less: fair value of net identifiable assets acquired	(2,323,963)
Goodwill arising on acquisition	916,037

Goodwill arose on the acquisition of Proquis Limited as the consideration paid for the combination effectively included amounts in relation to the benefit of revenue growth, expected synergies and the assembled workforce of Proquis 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 is expected to be tax deductible.

The costs of the acquisition of £111,099 have been expensed as a separate line within the Statement of Comprehensive Income for the year ended 30 April 2012. The Statement of Comprehensive Income for the year ended 30 April 2013 includes revenue of £783,000 and profit after taxation of £260,000 in respect of the subsidiaries acquired. Disclosure of information on revenue and profit or loss for the combined entity as though the acquisition of Proquis had been completed on 1 May 2011 is impracticable as the accounting reference date for Proquis was previously 30 September and it did not prepare reliable revenue and profit information on a monthly basis.

The net cash inflow on acquisition of Proquis Limited was as follows:	£
Cash acquired in subsidiaries	34,600
Net cash inflow on acquisition of Proquis Limited	34,600

19 Equity share capital, share premium and other reserves

Group and Company

	30 April 2013 £	30 April 2012 £
Issued and fully paid share capital:		
121,740,656 ordinary shares of £0.01 each (2012: 77,881,558 shares)	1,217,407	778,816
Share premium	6,867,390	1,408,443
Deferred equity consideration reserve	-	1,680,000

Shares issued in the year ended 30 April 2013

On 19 December 2012, 11,577,106 ordinary shares were issued under a share placing at 19 pence per share. Share premium of £2,083,879 arose on this issue of shares. Share issue costs of £59,000 were deducted from the share premium account.

On 21 December 2012, 4,500,000 ordinary shares were issued at 20 pence per share as part of the consideration for the purchase of the whole of the ordinary share capital of Plumtree Group Limited. A merger reserve of £855,000 arose on this issue of shares.

On 10 January 2013, following approval at a General Meeting of the company, a further 20,001,842 ordinary shares were issued under a share placing at 19 pence per share. Share premium of £3,600,332 arose on this issue of shares. Share issue costs of £169,264 were deducted from the share premium account.

On 10 January 2013, 7,275,270 ordinary shares were issued at 10.5 pence per share as part of the deferred consideration for the purchase of Proquis Limited. 4,000,000 of these shares had been contingent on the level of revenue from a major US customer in the twelve months following acquisition and the remaining 3,275,270 shares had been contingent on the renewal of an option by the same major US customer to continue with a particular contract. Further information is given in Note 18. A merger reserve of £691,151 arose on this issue of shares.

On 5 February 2013, 304,880 ordinary shares were issued at 7.5 pence per share as part of the contingent consideration for the purchase of Ideagen Capture Limited. A merger reserve of £19,817 arose on this share issue.

On 5 February 2013, 200,000 ordinary shares were issued at 2.5 pence per share on the exercise of share options through the Enterprise Management Incentive Scheme operated by the company. Share premium of £3,000 arose on this share issue.

Shares issued in the year ended 30 April 2012

On 10 January 2012, 8,000,000 ordinary shares were issued at 10.5 pence per share as part of the initial consideration for the purchase of the whole of the ordinary share capital of Proquis Limited. A merger reserve of £760,000 arose on this issue of shares.

On 9 February 2012, 150,000 ordinary shares were issued at 2.5 pence per share on the exercise of share options through the Enterprise Management Incentive Scheme operated by the company. Share premium of £2,250 arose on this issue of shares.

19 Equity share capital, share premium and other reserves (continued)

Merger reserve

	30 April 2013 £	30 April 2012 £
Group	1,167,284	1,020,000

	30 April 2013 £	30 April 2012 £
Company	1,217,968	1,020,000

During the year ended 30 April 2013 an impairment loss of £2,086,300 on an intangible asset acquired on a business combination together with the deferred tax credit of £667,616 associated with this intangible asset have been recognised in the Consolidated Statement of Comprehensive Income. The net loss of £1,418,684 has been realised in the Group merger reserve which arose on the same business combination.

During the year ended 30 April 2013 an impairment loss of £1,368,000 on an investment in a subsidiary was recognised in the Statement of Comprehensive Income of the Company. This loss has been realised in the Company merger reserve which arose on the acquisition of the same subsidiary.

Deferred equity consideration reserve

The deferred equity consideration reserve of £1,680,000 at 30 April 2012 was in respect of 16,000,000 ordinary shares in Ideagen plc which were contingently issuable at a price of 10.5 pence each in respect of the acquisition of Proquis Limited. The issue of these shares was contingent on the annual renewal by a major US customer of an option in each of the following three years to continue with a particular contract. Contingent on the renewal of these options, the 16,000,000 shares were to be issued as follows: 3,275,270 shares in January 2013, 5,775,060 shares in January 2014 and 6,949,670 shares in January 2015. Further information is given in Note 18.

The first annual option renewal was confirmed in November 2012 and the 3,275,270 shares noted above were issued in January 2013 at 10.5 pence per share resulting in a reduction of £343,903 in the deferred equity consideration reserve.

In May 2013, the company was informed that the major US customer referred to above was ending the contract and would not therefore be renewing any further annual options. Accordingly, the contingent conditions for the future issue of the 12,724,730 shares in January 2014 and January 2015 noted above cannot now be met. The remaining balance on the deferred equity consideration reserve of £1,336,097 has been transferred to retained earnings in both the Group and the Company. This balance does not represent a realised profit within retained earnings.

Retained earnings

Retained earnings of both the Group and the Company includes £1,336,097 transferred from the Deferred Equity Consideration Reserve which does not represent a realised profit and is not distributable.

20 Share-based payments and Share Options

The company operates an Enterprise Management Incentive share option Scheme which permits the grant to directors and staff of options in respect of ordinary shares in the company. Some of the options granted under this scheme do not have the tax benefits normally associated with Enterprise Management Incentive options however these options are identical in all other respects. The Scheme is an equity-settled arrangement and options granted under the scheme 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 Enterprise Management Incentive Scheme.

Year ended 30 April 2013

	Number of options	Weighted average exercise price
Outstanding at 1 May 2012	7,454,333	5.7 pence
Granted during the year	4,500,000	22.38 pence
Exercised during the year	(200,000)	2.5 pence
Outstanding at 30 April 2013	11,754,333	12.1 pence
Exercisable as at 30 April 2013	5,362,111	4.7 pence

Of the options outstanding at 30 April 2013, 36,000 options have an exercise price of 20 pence, 3,475,000 options have an exercise price of 2.5 pence, 200,000 options have an exercise price of 7 pence, 1,410,000 options have an exercise price of 8.5 pence, 2,133,333 options have an exercise price of 9 pence and 4,500,000 options have an exercise price of 22.38 pence.

The price of Ideagen plc ordinary shares at the date of exercise of the options noted above was 23.25 pence. The fair value of the options exercised during the year at the date the options were granted was 1.28 pence per share. The total fair value of the options exercised during the year at the date the options were granted was £2,560. This amount was transferred from the share-based payment reserve to retained earnings during the year.

The weighted average remaining contractual life of the outstanding options at 30 April 2013 is 8.2 years.

The fair value of the options granted during the year ended 30 April 2013 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	22.38 pence
Exercise price	22.38 pence
Expected volatility	62%
Expected dividend yield	0%
Expected option life	5 years
Risk-free interest rate	1.21%
Fair value of option	11.8 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 2013 the company recognised expenses of £178,000 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 2013 amounted to £312,520.

20 Share-based payments and Share Options (continued)

Year ended 30 April 2012

	Number of options	Weighted average exercise price
Outstanding at 1 May 2011	5,471,000	4.3 pence
Granted during the year	2,133,333	9.0 pence
Exercised during the year	(150,000)	2.5 pence
Outstanding at 30 April 2012	7,454,333	5.7 pence
Exercisable as at 30 April 2012	3,047,667	3.8 pence

Of the options outstanding at 30 April 2012, 36,000 options have an exercise price of 20 pence, 3,675,000 options have an exercise price of 2.5 pence, 200,000 options have an exercise price of 7 pence, 1,410,000 options have an exercise price of 8.5 pence and 2,133,333 options have an exercise price of 9 pence.

The price of Ideagen plc ordinary shares at the date of exercise of the options noted above was 13.25 pence. The fair value of the options exercised during the year at the date the options were granted was 1.28 pence per share. The total fair value of the options exercised during the year at the date the options were granted was £1,920. This amount was transferred from the share-based payment reserve to retained earnings during the year.

The weighted average remaining contractual life of these options at 30 April 2012 is 8.2 years.

The fair value of the options granted during the year ended 30 April 2012 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 pence
Exercise price	9 pence
Expected volatility	59%
Expected dividend yield	0%
Expected option life	5 years
Risk-free interest rate	1.47%
Fair value of option	4.6 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 2012 the company recognised expenses of £78,000 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 2012 amounted to £137,080.

Other outstanding share options

In addition to the options granted under the terms of the Enterprise Management Incentive share option scheme disclosed above, a total of 297,850 further options have been granted by the company in earlier years and remained outstanding at both 30 April 2013 and 30 April 2012. 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, 88,750 options are exercisable at any time prior to 21 November 2015 at 20 pence and 80,000 options are exercisable at any time prior to 25 October 2016 at 10 pence.

21 Capital management

The group's objective when managing capital is to safeguard the group's ability to continue as a going concern so that it can continue to provide a return to shareholders and benefits for other stakeholders.

The capital monitored by the group consists of all components of equity attributable to owners of the parent as set out in the consolidated Statement of Changes in Equity other than the foreign currency translation reserve, both long and short term borrowings disclosed in Note 14, deferred and contingent liabilities arising from business combinations disclosed in Notes 15 and 17 and cash and cash equivalents.

The group currently maintains a capital structure which is appropriate for its needs principally through a combination of cash flow management and forecasting and the issue of new shares, primarily in connection with the funding of business acquisitions. The group does not currently have any long term borrowings and the group's current short term borrowings have only arisen through business combinations.

The group is not subject to externally imposed capital requirements other than the minimum capital requirements imposed by the Companies Act 2006 on all public limited companies.

22 Operating lease commitments

As at 30 April 2013 the group had aggregate commitments under non-cancellable operating leases which expire as follows:

	Land & Buildings 30 April 2013 £	Land & Buildings 30 April 2012 £
Within one year	9,523	24,250
Between one and two years	100,888	-
Between two and five years	241,683	376,947
Over 5 years	-	-
	352,094	401,197

23 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 £20,378 (2012: £5,885).

24 Cash and cash equivalents

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

Group

	30 April 2013 £	30 April 2012 £
Cash and bank balances	6,372,243	1,495,771

Company

	30 April 2013 £	30 April 2012 £
Cash and bank balances	4,264,222	598,314

25 Related party transactions

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

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 note. Details of transactions between the Company and other related parties are disclosed below.

A loan to the company of £10,000 from Mr D R K Hornsby, a director, was included in current borrowings at 30 April 2011. This loan was repaid by the company during the year ended 30 April 2012. No interest was payable on this loan.

Trade payables in the Company at 30 April 2013 also include £28,487 (2012: £51,487) payable to Glacier Software Limited, a company controlled by Mr D R K Hornsby. These amounts are in respect of fees payable to Mr D R K Hornsby as a director of the Company.

At 30 April 2013, trade and other payables in the Company included £nil (2012: £2,628) payable to Mr G P Spenceley, a director of the company. These amounts are in respect of fees payable to Mr G P Spenceley as a director of the Company.

At 30 April 2013, trade and other payables in the Company included £nil (2012: £2,376) payable to Mr G C Harrop, a former director of the company. This amount is in respect of fees payable to Mr G C Harrop as a director of the Company.

At 30 April 2013, trade and other payables in the Company included £1,617 (2012: £nil) payable to Ultris Limited, a company in which Mr A M Carroll is a director and shareholder. This amount is in respect of fees payable to Mr A M Carroll as a director of the Company. The amounts payable to Ultris Limited for the services of Mr A M Carroll as a director of the Company are included in the remuneration of directors disclosed in note 5.

For the purposes of this note there are not considered to be any key management personnel other than the directors of the Company. The remuneration of the directors of the company is disclosed in note 5 of these financial statements.

26 Event after the end of the reporting period

Acquisition of a business

On 2 July 2013, Ideagen plc acquired the whole of the issued share capital of MSS Management Systems Services Limited ('MSS'), a company domiciled in England. The acquisition of MSS is expected to enhance the Group's existing business through the addition of the client base of MSS and the addition of an NHS A&E software product to the Group's portfolio.

The initial cash consideration on the date of acquisition was £764,780 with a further £50,000 payable in cash twelve months after the completion of the acquisition. In addition, a further amount, up to a maximum of £541,667, may become payable in cash based on the achievement of certain revenue targets in the period from completion to 30 April 2014.

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 have not yet been completed and accordingly information has not been presented on assets and liabilities assumed at the date of acquisition.