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Appian Technologies (UK) Limited
Directors' Report and Financial Statements
Year Ended 30 September 2005



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COMPANIES HOUSE 14/07/2006

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DIRECTORS AND OTHER INFORMATION

Board of Directors

Appian Technology plc

Bankers

Lloyds TSB plc
45 High Street
Maidenhead
Berkshire
SL6 1JS

Secretary and Registered Office

D Hearn
Appian House
Unit 4
Wessex Road
Bourne End
Buckinghamshire
SL8 5DT

Solicitors

TLT Solicitors
One Redcliffe Street
Bristol
BS99 7JZ

Registered Number: 3530023

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
George's Quay
Dublin 2

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 30 September 2005.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2005 and that applicable accounting standards have been followed.

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

Principal activities and review of the business

The company is in the business of providing high technology solutions for modern traffic management, parking guidance and carpark management problems. During the year the business and certain of the company's assets were transferred to its parent, Appian Technology plc.

Books of account

The measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at Appian House, Unit 4, Wessex Road, Bourne End, Buckinghamshire.

Staff

The company employed no staff during the year (2004: Nil). The company subcontracted other Appian group companies to carry out its work.

Result for the year

The loss after tax for the year amounted to Stg£15 (year ended 30 September 2004 profit after tax £110,026). The directors do not recommend the payment of any dividend.

Subsequent events

There have been no material events since the balance sheet date.

Going Concern

During the year the company incurred a loss of Stg£15 and at the balance sheet date the company had net liabilities of Stg£202,078. The company is dependent on the ongoing financial support of its ultimate parent undertaking, Appian Technology plc, to enable it to meet its liabilities as they fall due. The parent company has indicated its intention to provide this support for the foreseeable future and accordingly, the directors believe that it is appropriate for the financial statements to be prepared on the going concern basis.

Health and safety

It is the policy of the company to ensure the health and welfare of its employees by maintaining a safe place and system of work. This policy, which is set out in the safety statement required by the Safety, Health and Welfare at Work Act, 1989 is in place.

Directors

The names of the persons who were directors at any time during the year ended 30 September 2005 are set out below. Except where indicated, they served for the entire period.

Appian Technology plc

DIRECTORS' REPORT - continued

Directors' shareholdings

The beneficial interests, including family interests, of the directors in office at 30 September 2005 in the share capital of the company and the company's ultimate parent Appian Technology plc at 30 September 2005 were:

	Ordinary £0.01 shares at 30 September 2005	Warrants 30 September 2005	Options at 30 September 2005	Ordinary £0.01 shares at 30 September 2004	Warrants 30 September 2004	Options at 30 September 2004
K Kelly	427,500	200,000	-	427,500	200,000	-
P Ryan	3,225,619	2,228,572	-	2,351,333	2,050,000	-
J Finan	741,167	475,000	-	741,167	475,000	-
F Newton	381,000	475,000	-	381,000	350,000	-
D Hearn	479,642	89,286	700,000	122,500	-	550,000
T Keene	-	-	600,000	-	-	-

In addition, 6,697,000 shares in Appian Technology plc are owned by National Avionics Limited, in which, Messrs K Kelly and P Ryan are directors and have an interest. D Hearn is a director of National Avionics Limited.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board


D Hearn

Independent auditors' report to the members of Appian Technologies (UK) Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards generally issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance, with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you if in our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 30 September 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

30 November 2005

ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows:

Basis of accounting

The financial statements are prepared under the historical cost convention in accordance with accounting standards generally accepted in the UK. Accounting standards generally accepted in the UK in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants of England and Wales and issued by the Accounting Standards Board. The financial statements have been prepared in Sterling.

Going concern

During the year the company incurred a loss of Stg£15 and at the balance sheet date the company had net liabilities of Stg£202,078. The company is dependent on the ongoing financial support of its ultimate parent undertaking, Appian Technology plc, to enable it to meet its liabilities as they fall due. The parent company has indicated its intention to provide this support for the foreseeable future and accordingly, the directors believe that it is appropriate for the financial statements to be prepared on the going concern basis.

Revenue recognition

For both hardware and software maintenance contracts, income is credited to the profit and loss account over the period to which it relates. Costs associated with these contracts are expensed as incurred.

Engineering services, not the subject of an ongoing maintenance contract, such as repair, training and consultancy, are recognised when the services are performed.

Revenue and profit generated from fixed-price contracts whilst the contract is in progress, is recognised having regard to the proportion of the total contract which has been completed at the balance sheet date. Provision is made in full for any expected losses on uncompleted contracts.

Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments.

The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows:

Motor vehicles	3 years
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Leases

Where tangible assets are financed by leasing agreements which give rights approximating to ownership ("finance leases") they are treated as if they had been purchased outright at the present values of the minimum lease payments and the corresponding leasing liabilities are shown in the balance sheet as finance leases.

Depreciation on leased assets is calculated on a straight-line basis over the estimated useful lives of the individual assets. Interest arising on finance leases is charged to the profit and loss account in proportion to the amounts outstanding under the leases.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling pounds at the exchange rates ruling at the balance sheet date and revenues, costs and non monetary assets at the exchange rates ruling at the dates of the transactions, except that where a transaction is covered by a forward exchange contract, the contracted exchange rate is used.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with in the profit and loss account.

Monetary assets are money held and amounts to be received in money; all other assets are non monetary assets.

Research and development expenditure

Research and development expenditure not recoverable under research contracts is written off in the year in which it is incurred.

ACCOUNTING POLICIES - continued

Taxation

Corporation tax is provided where applicable at current rates.

Deferred taxation is provided on timing differences to the extent that it is expected to become payable in the foreseeable future and any amount not provided is disclosed as a contingent liability.

Timing differences are temporary differences between profits as computed for timing differences and profits as stated in the financial statements which arise because of certain items of income and expenditure are dealt with in different periods for taxation purposes.

PROFIT AND LOSS ACCOUNT
Year Ended 30 September 2005

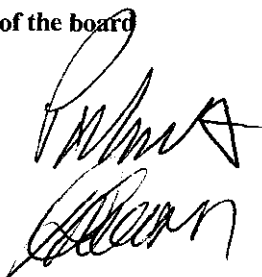
	Notes	Discontinuing Operations 2005 Stg£	2004 Stg£
Turnover		20,685	242,255
Cost of sales		<u>(18,616)</u>	<u>(110,383)</u>
Gross profit		2,069	131,872
Administration expenses		(93)	(197)
Other operating expenses		<u>(2,000)</u>	<u>(21,670)</u>
Operating (loss)/profit		(24)	110,005
Net interest payable and similar charges	3	<u>9</u>	<u>21</u>
(Loss)/profit on ordinary activities before taxation	2	(15)	110,026
Taxation	4	<u>-</u>	<u>-</u>
(Loss)/profit for the financial year	8	<u>(15)</u>	<u>110,026</u>

Income and the loss before taxation arose solely from discontinuing operations. There were no other recognised gains or losses for the year.

On behalf of the board

P Ryan

D Hearn



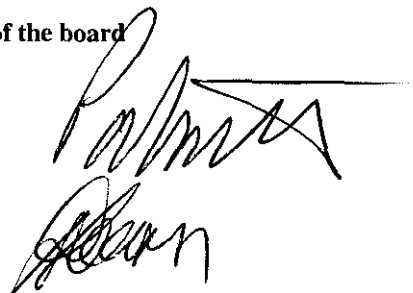
BALANCE SHEET
30 September 2005

	Notes	2005 Stg£	2004 Stg£
Fixed assets			
Tangible assets		-	-
Current assets			
Cash at bank and in hand		1,000	123
Debtors	5	<u>280,541</u>	<u>289,654</u>
		281,541	289,777
Creditors - Amounts falling due within one year	6	<u>(483,619)</u>	<u>(491,840)</u>
Net current liabilities		<u>(202,078)</u>	<u>(202,063)</u>
Total assets less current liabilities		<u>(202,078)</u>	<u>(202,063)</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		<u>(202,080)</u>	<u>(202,065)</u>
Equity shareholders' funds	8	<u>(202,078)</u>	<u>(202,063)</u>

On behalf of the board

P Ryan

D Hearn



NOTES TO THE FINANCIAL STATEMENTS

1 Holding company

The ultimate parent undertaking is Appian Technology plc which is incorporated in the United Kingdom. Group Financial statements are prepared for Appian Technology plc and can be obtained from its premises at Appian House, Unit 4, Wessex Road, Bourne End, Buckinghamshire. Appian Technologies (UK) Limited participates in group trading, financing and management arrangements.

The company has availed of the exemptions in Financial Reporting Standard No 8 - "Related Party Disclosures" of disclosing transactions with entities within Appian Technology plc group, whose group financial statements are publicly available.

2 Profit on ordinary activities before taxation	2005 Stg£	2004 Stg£
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The profit/(loss) on ordinary activities before taxation has been arrived at after charging:

Staff costs

- Wages and salaries	-	-
- Social welfare costs	-	-
	<u>-</u>	<u>-</u>

Auditors remuneration	2,000	6,000
Depreciation	-	425
Profit on disposal of fixed assets	-	500
	<u>-</u>	<u>500</u>

The average number of employees during the year was nil (2004: Nil).

3 Interest payable and similar charges	2005 Stg£	2004 Stg£
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Other interest	-	2
Bank interest payable	-	-
Bank interest receivable	9	19
	<u>9</u>	<u>21</u>

4 Taxation

There is no taxation charge due to tax losses carried forward.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Debtors	2005 Stg£	2004 Stg£	
Amounts falling due within one year:			
Amounts due from group company	276,141	282,892	
Trade debtors	-	6,762	
Prepayments	<u>4,400</u>	<u>-</u>	
	<u>280,541</u>	<u>289,654</u>	
6 Creditors (amounts falling due within one year)	2005 Stg£	2004 Stg£	
Bank overdraft	30	-	
Trade creditors	389	1,232	
Amounts due to fellow subsidiary	483,200	475,761	
Creditors for taxation and social welfare	-	1,823	
Accruals and deferred income	<u>-</u>	<u>13,024</u>	
	<u>483,619</u>	<u>491,840</u>	
7 Share capital	Authorised Stg£	Allotted and fully paid Stg£	
At 30 September 2005 and 2004, ordinary shares of Stg£1 each	<u>100</u>	<u>2</u>	
8 Reconciliation of movement in shareholder funds	Share Capital Stg£	Profit and loss account Stg£	Total Stg£
At 30 September 2004	2	(202,065)	(202,063)
Loss for the year	<u>-</u>	<u>(15)</u>	<u>(15)</u>
At 30 September 2005	<u>2</u>	<u>(202,080)</u>	<u>(202,078)</u>

9 Guarantees

Appian Technology Plc entered into committed facilities with Lloyds TSB Commercial Finance Limited on 16 December 2004. This facility is secured by fixed and floating charges over all the property assets and undertakings of Appian Technology Plc. There are cross guarantees between all Appian Technology Plc subsidiaries.

10 Approval of the financial statements

The directors approved the financial statements on 30 November 2005.