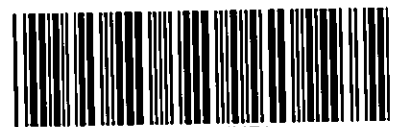


Sparxent Europe Ltd
Abbreviated Annual Report
(Formerly NetworkD Europe Limited)
Period from 1 April 2009 to 31 December 2009

Company Registration Number 4148416

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Sparxent Europe Ltd

Abbreviated Accounts

Period from 1 April 2009 to 31 December 2009

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Sparxent Europe Ltd

Independent Auditor's Report to Sparxent Europe Ltd (continued)

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts which comprise the Balance Sheet and the related notes, together with the financial statements of Sparxent Europe Ltd for the period from 1 April 2009 to 31 December 2009 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other Information

On *29 September 2010* we reported as auditor to the members of the company on the financial statements prepared under Section 396 of the Companies Act 2006 and our report included the following paragraph:

Emphasis of Matter - Going Concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure in Note 1 to the financial statements concerning the ability of the company to continue as a going concern. In August 2008 the company was acquired by Sparxent Inc, a US corporation. The company is dependent upon the continued support of Sparxent Inc for the continuance of normal trading. These conditions, along with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

CHRISTOPHER HICKS (Senior Statutory Auditor)
For and on behalf of FRANCIS CLARK LLP
Chartered Accountants and Statutory Auditor
Oak View Close
Sigma House
Torquay
TQ2 7FF

29 September 2010

Francis Clark LLP

Sparxent Europe Ltd

Abbreviated Balance Sheet

31 December 2009

	Note	31 Dec 09 £	31 Mar 09 £
Fixed Assets	2		
Tangible assets		6,201	9,371
Investments		<u>1,226,210</u>	<u>1,241,973</u>
		<u>1,232,411</u>	<u>1,251,344</u>
Current Assets			
Stocks		-	239,820
Debtors		1,397,629	756,220
Cash at bank and in hand		<u>2,656</u>	<u>2,552</u>
		<u>1,400,285</u>	<u>998,592</u>
Creditors. Amounts falling due within one year	3	<u>1,668,603</u>	<u>1,478,824</u>
Net Current Liabilities		<u>(268,318)</u>	<u>(480,232)</u>
Total Assets Less Current Liabilities		<u>964,093</u>	<u>771,112</u>
Capital and Reserves			
Called-up equity share capital	4	1,132	1,132
Share premium account		469	469
Profit and loss account		<u>962,492</u>	<u>769,511</u>
Shareholders' Funds		<u>964,093</u>	<u>771,112</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 27 September 2010 and are signed on their behalf by



A Leonard

Company Registration Number 4148416

The notes on pages 3 to 5 form part of these abbreviated accounts.

Sparxent Europe Ltd

Notes to the Abbreviated Accounts

Period from 1 April 2009 to 31 December 2009

1 Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Going concern

The company's balance sheet at 31 December 2009 discloses net current liabilities of £268,318

Investments include a loan due to a fellow subsidiary, NetworkD GmbH, of £689,218 which is recoverable after more than one year. The balance sheet of NetworkD GmbH as at 31 December 2009 discloses net liabilities of £737,583. However, the directors have reviewed the budgets and forecasts of NetworkD GmbH for the next 5 years, and given its expected return to profitability, are confident that the intercompany loan will be recoverable.

At 31 December 2009 debtors include an amount due from Sparxent Corporation, a fellow subsidiary incorporated in the United States, of £596,508. Recovery of this amount is dependent upon continued financial support from Sparxent Inc, the ultimate parent company.

At 31 December 2009 Sparxent Europe Limited is dependent upon the continued support of its parent company Sparxent Inc, a US corporation, for the continuance of normal trading activities. In August 2008 Sparxent Inc acquired the whole of the share capital of Sparxent Europe Ltd, and its related undertakings. Sparxent Inc is itself owned by a substantial US venture capital firm. The directors of Sparxent Europe Ltd have received written assurances from the directors of Sparxent Inc that the company will provide financial support to Sparxent Europe Ltd for a period of at least 12 months from the date of approval of these financial statements, and hence believe that it is appropriate that the financial statements are prepared on a going concern basis.

The financial statements do not include any adjustments that would be necessary if the company were not to continue as a going concern.

(b) Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has not exercised the option to prepare group accounts provided by Section 398 of the Companies Act 2006.

(c) Turnover

The turnover shown in the Profit and Loss Account represents amounts receivable during the year, exclusive of Value Added Tax, in respect of goods and services supplied.

Sales of software licence products are recognised when the license is delivered to the customer. Software service and maintenance sales are recognised as the service is provided, or in the case of annual maintenance contracts, equally over the life of the contract. Training and consultancy sales are recognised as the service is provided.

(d) Fixed assets

All fixed assets are initially recorded at cost.

(e) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer Equipment	- 25% straight line
Office Equipment	- 25% straight line

Sparxent Europe Ltd

Notes to the Abbreviated Accounts

Period from 1 April 2009 to 31 December 2009

1. Accounting Policies *(continued)*

(f) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

(g) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

(h) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

(i) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

(j) Fixed asset investments

Fixed asset investments are included at cost

2. Fixed Assets

	Tangible Assets £	Loans & Investments £	Total £
Cost			
At 1 April 2009	28,202	1,241,973	1,270,175
Disposals/repayments	—	(15,763)	(15,763)
At 31 December 2009	28,202	1,226,210	1,254,412
Depreciation			
At 1 April 2009	18,831	—	18,831
Charge for period	3,170	—	3,170
At 31 December 2009	22,001	—	22,001
Net Book Value			
At 31 December 2009	6,201	1,226,210	1,232,411
At 31 March 2009	9,371	1,241,973	1,251,344

At 31 December 2009 the company had the following subsidiary undertaking which was incorporated in France

Company	Nature of business	Shareholding
NetworkD SAS	Supply and support of computer software	100%

As at 31 December 2009 there was a deficit of shareholders' funds of €681,993. The company's loss for the year ended 31 December 2009 was €282,360

Sparxent Europe Ltd

Notes to the Abbreviated Accounts

Period from 1 April 2009 to 31 December 2009

3 Creditors: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company

	31 Dec 09 £	31 Mar 09 £
Bank loans and overdrafts	<u>81,974</u>	<u>140,218</u>

4. Share Capital

Allotted, called up and fully paid:

	31 Dec 09		31 Mar 09	
	No	£	No	£
1,000 Ordinary shares of £1 each	1,000	1,000	1,000	1,000
13,180 'A' Ordinary shares of £0.01 each	13,180	132	13,180	132
	<u>14,180</u>	<u>1,132</u>	<u>14,180</u>	<u>1,132</u>

The 'A' Ordinary shares do not carry any voting rights, are limited to par value and have independent dividend rights. In a winding up the repayment rights of each share will be restricted to 0.002% of the net assets.

5 Ultimate Parent Company

The company's holding company at the year end was Sparxent Inc. Copies of the accounts may be obtained from the Chief Financial Officer, 3300 Irvine Avenue, Suite 261, Newport Beach, CA 92660.