

REGISTERED NUMBER 02569236 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
FOR
ALIAS LIMITED**

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ALIAS LIMITED (REGISTERED NUMBER 02569236)

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FOR THE YEAR ENDED 31 DECEMBER 2010**

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ALIAS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2010

DIRECTORS.

P Holcomb
M S Moore
D L Myall

SECRETARY

R B Parkinson

REGISTERED OFFICE

1 Stuart Road
Manor Park
Runcom
Cheshire
WA7 1TS

REGISTERED NUMBER

02569236 (England and Wales)

AUDITORS.

Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

ALIAS LIMITED (REGISTERED NUMBER: 02569236)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The company is primarily involved in the development and maintenance of computer software systems, which are marketed and sold by the parent company, Intergraph UK and Intergraph Corporation (specifically its Process, Power and Marine division (PP&M). There are four major product streams

The company develops software (Isogen) for the automated production of piping isometric drawings. Isogen is included in both Intergraph PPM products (Smart3D, PDS, CADWorX and Caesar II) and is licensed to third parties (Bentley, Autodesk and a number of smaller licensees)

The company supplies automated pipe routing software (I-Route) which is included in Intergraph Smart3D software

The company develops complete applications - SmartPlant Spoolgen and SmartPlant Isometrics which are marketed and sold as part of the Intergraph PPM SmartPlant Enterprise suite

FUTURE DEVELOPMENTS

Growth in the demand for PP&M's plant and ship design and information management software is likely to be directly impacted by the global economic conditions, the price of oil, capital expenditure levels in the oil and gas industry, and industry demands to reduce the cost of plant design and operation. In the medium term the Directors expect the global demand for Intergraph PP&M's products to return to growth, but short-term growth levels are likely to be lower than experienced in the past. The business performance of the Alias business is likely to closely follow these global trends

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report

P Holcomb
M S Moore

Other changes in directors holding office are as follows

D H Lott - resigned 30 April 2010
D L Myall - appointed 22 February 2010

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010**

PRINCIPAL RISKS AND UNCERTAINTIES

The risks and uncertainties facing the business can be categorised and evaluated based on four broad categories -

Political, Economic, Social and Technological

Political

While the business can be affected by political uncertainty and change in any part of the world, there is no overwhelming dependency on any one country or region

Economic

Macro economic trends can have both an adverse and positive affect on the business. Macro economic trends, including economic growth, inflation, government spending and interest rate movements are monitored on an ongoing basis within the context of the business environment in which Intergraph compete

Social

The current social environment represents both risks and opportunities to the company. In the current world climate governments and industrial organisations are increasingly seeking to invest in software that can promote larger projects, closer supply chain coordination, more efficient use of energy, better health and safety and improved environmental protection, all representing opportunities for Intergraph and Alias

Technological

A significant risk to the company is the risk of obsolescence in the technology and products that the company offers to the market. The company fosters good communication with customers of all sizes and participates fully in Intergraph PPM processes for gathering market information and new requirements. This helps minimise the risk of our products becoming out dated and ensures that customer needs are continually met

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position, are detailed above

The company has considerable financial resources together with a significant amount of recurring revenue from a number of customers across different industries in many regions of the world. Currently the company has no external borrowings, and is expected to generate positive cashflows and surpluses on its own account over the next 12 months. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the uncertain economic outlook

Based on their enquiries and assessments, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

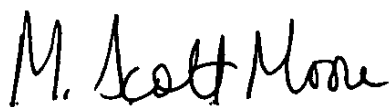
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Howard Worth, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD



M S Moore - Director

Date

18

July 2011

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF ALIAS LIMITED

We have audited the financial statements of Alias Limited for the year ended 31 December 2010 on pages seven to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on pages three and four, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
ALIAS LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, 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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Report of the Directors



C J Swallow BSc FCA (Senior Statutory Auditor)
for and on behalf of Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Date *31st August 2011*

ALIAS LIMITED (REGISTERED NUMBER 02569236)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

		31/12/10	31/12/09 as restated £
	Notes	£	
TURNOVER	2	4,595,389	4,836,158
Cost of sales		-	31,999
GROSS PROFIT		4,595,389	4,804,159
Administrative expenses		1,325,141	1,858,477
		3,270,248	2,945,682
Other operating income		14,301	472
OPERATING PROFIT	4	3,284,549	2,946,154
Interest receivable and similar income		329,417	264,258
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,613,966	3,210,412
Tax on profit on ordinary activities	5	980,495	914,575
PROFIT FOR THE FINANCIAL YEAR		2,633,471	2,295,837

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements

ALIAS LIMITED (REGISTERED NUMBER: 02569236)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2010**

	31/12/10	31/12/09 as restated
	£	£
PROFIT FOR THE FINANCIAL YEAR	2,633,471	2,295,837
Revaluation of tangible fixed assets	6,505	-
Share based payment	21,346	20,768
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>2,661,322</u>	<u>2,316,605</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

The notes form part of these financial statements

ALIAS LIMITED (REGISTERED NUMBER. 02569236)

BALANCE SHEET
31 DECEMBER 2010

		31/12/10		31/12/09 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		50,000		50,000
Tangible assets	9		652,173		669,727
			<u>702,173</u>		<u>719,727</u>
CURRENT ASSETS					
Debtors	10	7,187,391		4,434,760	
Cash at bank and in hand		252,315		377,269	
		<u>7,439,706</u>		<u>4,812,029</u>	
CREDITORS					
Amounts falling due within one year	11	621,632		672,831	
NET CURRENT ASSETS			<u>6,818,074</u>		<u>4,139,198</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,520,247</u>		<u>4,858,925</u>
CREDITORS					
Amounts falling due after more than one year	12		100		100
NET ASSETS			<u><u>7,520,147</u></u>		<u><u>4,858,825</u></u>
CAPITAL AND RESERVES					
Called up share capital	15		25,000		25,000
Revaluation reserve	16		36,481		29,976
Profit and loss account	16		7,458,666		4,803,849
SHAREHOLDERS' FUNDS	21		<u><u>7,520,147</u></u>		<u><u>4,858,825</u></u>

The financial statements were approved by the Board of Directors on
signed on its behalf by

18th July 2011 and were

M. Scott Moore

M S Moore - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The company is a wholly owned subsidiary within a group. The ultimate parent company have indicated their intention that the company will continue as an ongoing corporation for the foreseeable future. The directors consider the going concern basis to be appropriate.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company is a subsidiary company where more than 90% of the voting rights are controlled within the group and consolidated financial statements in which the company is included are publicly available.

Changes in accounting policies

In previous years the company has prepared its financial statements in accordance with the Financial Reporting Standard for Smaller Entities. The acquisition of the group, within which the company is a subsidiary, by Hexagon AB (a listed company) was completed during the year. As a consequence the company no longer qualifies for the Small Companies Reporting Regime and has therefore ceased to claim the exemptions that it conferred.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax. Income arising from maintenance contracts and software leases is deferred and released over the term of the contract.

Patents and licences

In a departure from the maximum 20 year presumption under FRS 10 and the Companies Act 2006 requirements, and in order to show a true and fair view, patents and licences have not been amortised. This treatment is considered to be appropriate due to the continuing value of the assets in their intended use of generating future revenue streams for the company.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- Straight line over 30 years
Plant and machinery	- Straight line over 3 years
Fixtures and fittings	- Straight line over 5 years
Motor vehicles	- Straight line over 5 years

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

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 transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

ALIAS LIMITED (REGISTERED NUMBER 02569236)
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

1 ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Related party transactions

The company is a 100% owned subsidiary within a group that prepares publicly available consolidated financial statements. Transactions with entities that are part of the group or investees of the group qualifying as related parties are therefore not disclosed within these financial statements.

Equity settled share based payments

The cost of equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted and the grant date market price of the ordinary share capital of the parent company. It is recognised as a straight line expense over the requisite assumed vesting periods, which end on the date on which the relevant employees become fully entitled to the award, and are net of estimated forfeitures. The company utilises a binomial option pricing model to determine the fair value of share options. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied. At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, number of equity instruments that will ultimately vest, or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the profit and loss account, with a corresponding entry in equity.

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31/12/10	31/12/09 as restated
	£	£
UK	9,191	96,723
Overseas	4,586,198	4,739,435
	<u>4,595,389</u>	<u>4,836,158</u>

3 STAFF COSTS

	31/12/10	31/12/09 as restated
	£	£
Wages and salaries	886,243	940,682
Social security costs	21,688	14,638
Other pension costs	98,179	71,191
	<u>1,006,110</u>	<u>1,026,511</u>

ALIAS LIMITED (REGISTERED NUMBER: 02569236)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

3 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	31/12/10	31/12/09 as restated
General Administration	3	5
Product Development	10	11
Support	5	4
	<u>18</u>	<u>20</u>

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31/12/10	31/12/09 as restated
	£	£
Other operating leases	5,904	5,852
Depreciation - owned assets	32,465	36,986
Loss on disposal of fixed assets	468	-
Auditors' remuneration	9,974	7,313
Foreign exchange differences	(9,499)	529,463
	<u>201,374</u>	<u>108,498</u>
Directors' remuneration	19,898	19,200
Directors' pension contributions to money purchase schemes	<u>19,898</u>	<u>19,200</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
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One director exercised share options during the year (2009 - no directors)

Information regarding the highest paid director for the year ended 31 December 2010 is as follows
31/12/10

	£
Emoluments etc	161,050
Pension contributions to money purchase schemes	<u>15,098</u>

ALIAS LIMITED (REGISTERED NUMBER 02569236)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31/12/10	31/12/09 as restated
	£	£
Current tax		
UK corporation tax	981,021	914,290
Over/under provision in earlier years	(526)	285
	<u>980,495</u>	<u>914,575</u>
Tax on profit on ordinary activities	<u>980,495</u>	<u>914,575</u>

6 DIVIDENDS

	31/12/10	31/12/09 as restated
	£	£
Ordinary shares of £1 each		
Interim	-	3,134,454
	<u>-</u>	<u>3,134,454</u>

After the balance sheet date and prior to the date of approval of the financial statement, a dividend of £32 per share relating to the year was paid

7 PRIOR YEAR ADJUSTMENT

In earlier years the company has taken advantage of the exemptions conferred by the Financial Reporting Standard for Smaller Entities with respect to share based payments relating to the company share option scheme. As such no expense and corresponding increase in equity was required to be recognised. Due to the change in accounting policy in not claiming the exemptions conferred by the Small Companies Reporting Regime the company has followed Financial Reporting Standard number 20 in this area. The accounting policy adopted by the company is described more fully in note 1 to the financial statements.

8 INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 January 2010	
and 31 December 2010	<u>50,000</u>
NET BOOK VALUE	
At 31 December 2010	<u>50,000</u>
At 31 December 2009	<u>50,000</u>

ALIAS LIMITED (REGISTERED NUMBER 02569236)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

9 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2010	760,000	49,936	48,093	18,365	876,394
Additions	-	8,876	-	-	8,876
Disposals	-	(2,219)	-	(18,365)	(20,584)
Revaluations	(120,000)	-	-	-	(120,000)
At 31 December 2010	640,000	56,593	48,093	-	744,686
DEPRECIATION					
At 1 January 2010	100,688	43,238	44,378	18,364	206,668
Charge for year	25,817	4,672	1,975	1	32,465
Eliminated on disposal	-	(1,750)	-	(18,365)	(20,115)
Revaluation adjustments	(126,505)	-	-	-	(126,505)
At 31 December 2010	-	46,160	46,353	-	92,513
NET BOOK VALUE					
At 31 December 2010	640,000	10,433	1,740	-	652,173
At 31 December 2009	659,312	6,698	3,715	1	669,726

Included in cost or valuation of land and buildings is freehold land of £240,000 (2009 - £0) which is not depreciated

Cost or valuation at 31 December 2010 is represented by

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2006	15,879	-	-	15,879
Valuation in 2010	(120,000)	-	-	(120,000)
Cost	744,121	56,593	48,093	848,807
	640,000	56,593	48,093	744,686

Freehold property was valued on an open market basis on 2 March 2011 by Fifield Glyn Limited

10 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/10	31/12/09 as restated
	£	£
Trade debtors	713	11,904
Amounts owed by group undertakings	6,910,200	4,067,685
VAT	4,634	2,713
Prepayments & accrued income	271,844	352,458
	7,187,391	4,434,760

ALIAS LIMITED (REGISTERED NUMBER 02569236)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/10	31/12/09 as restated
	£	£
Trade creditors	11,242	5,529
Taxation	470,087	497,152
Other creditors	-	39,935
Accruals & deferred income	140,303	130,215
	<u>621,632</u>	<u>672,831</u>

12 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/12/10	31/12/09 as restated
	£	£
Preference shares (see note 13)	<u>100</u>	<u>100</u>

13 LOANS

An analysis of the maturity of loans is given below

	31/12/10	31/12/09 as restated
	£	£
Amounts falling due in more than five years		
Repayable otherwise than by instalments		
Preference shares	<u>100</u>	<u>100</u>

Details of shares shown as liabilities are as follows

Allotted, issued and fully paid Number	Class	Nominal value	31/12/10	31/12/09 as restated
			£	£
100	Preference	£1	<u>100</u>	<u>100</u>

ALIAS LIMITED (REGISTERED NUMBER 02569236)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

14 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

		Other operating leases
	31/12/10	31/12/09 as restated
	£	£
Expiring		
Within one year	1,534	-
Between one and five years	-	5,892
	<u>1,534</u>	<u>5,892</u>

15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid
Number Class

	Nominal value	31/12/10	31/12/09 as restated
		£	£
25,000 Ordinary	£1	<u>25,000</u>	<u>25,000</u>

16 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2010	4,803,849	29,976	4,833,825
Profit for the year	2,633,471		2,633,471
Freehold property revaluation	-	6,505	6,505
Equity settled share based payment transactions	21,346	-	21,346
At 31 December 2010	<u>7,458,666</u>	<u>36,481</u>	<u>7,495,147</u>

17 PENSION COMMITMENTS

The company contributes to a defined contribution pension scheme. The cost for the year was £98,179 (2009 - £71,191) and there were no accrued or prepaid contributions at the balance sheet date (2009 - accrued £2,597).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

18 **ULTIMATE PARENT COMPANY**

With effect from the 28th October 2010, the directors consider Hexagon AB, a company incorporated in Sweden, to be the ultimate parent company due to its 100% ownership of the group within which the company is a wholly owned subsidiary. Prior to this date the ultimate parent company was considered to be Intergraph Holding Company (Delaware), a company incorporated in the USA due to its then 100% ownership of the group within which the company was a wholly owned subsidiary.

19 **RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption conferred by FRS 8 not to disclose transactions with members of the group headed by Hexagon AB. The results of the company are included within publicly available consolidated financial statements.

20 **ULTIMATE CONTROLLING PARTY**

The directors consider Hexagon AB to be the ultimate controlling party.

21 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31/12/10	31/12/09 as restated
	£	£
Profit for the financial year	2,633,471	2,295,837
Dividends	-	(3,134,454)
	<u>2,633,471</u>	<u>(838,617)</u>
Other recognised gains and losses relating to the year (net)	27,851	20,768
	<u>2,661,322</u>	<u>(817,849)</u>
Net addition/(reduction) to shareholders' funds	4,858,825	5,676,674
Opening shareholders' funds	<u>7,520,147</u>	<u>4,858,825</u>
Closing shareholders' funds	7,520,147	4,858,825

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010

22 SHARE-BASED PAYMENT TRANSACTIONS

At 31st December 2010, an Executive Management Incentive Scheme was in place whereby, subject to certain conditions, a director and an employee were able to exercise options to acquire shares in the holding company, Intergraph Corporation. Options were granted on 7th December 2006 and 20th May 2008. The vesting period is set at 20% per annum on the anniversary of the grant of the option, if the employee remains in service. During the year ended 31st December 2010, which is during the vesting period, the grant of equity instruments was settled. The settlement has been accounted for as an acceleration of vesting, the consequence of which is that the amount that otherwise would have been recognised for the services received over the remainder of the vesting period has been recognised in full in the year.

The expense recognised for share based payments for the year is £21,346 (2009 prior year adjustment of £20,768).

The weighted average exercise price in the table below is stated in US Dollars

	31 12 10 No	31 12 09 No
Outstanding as at 1st January	12,530	12,530
Settled	(12,530)	-
Outstanding as at 31st December	<u>-</u>	<u>12,530</u>
Exercisable as at 31st December	<u>-</u>	<u>5,520</u>

	31 12 10 WAEP	31 12 09 WAEP
Outstanding as at 1st January	10.50	10.50
Settled	14.86	-
Outstanding as at 31st December	<u>-</u>	<u>10.50</u>
Exercisable as at 31st December	<u>-</u>	<u>10.50</u>