

Datalex^{*}

➤ The World's Leading Travel Distribution Platform



ANNUAL
REPORT
2013





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HIGHLIGHTS OF THE YEAR

DELIVERING SHAREHOLDER VALUE

26% growth in Adjusted EBITDA, significant customer wins and a first dividend proposed.

FINANCIAL HIGHLIGHTS

- 18% Increase in Total Revenue
- 19% Rise in Transaction Revenue
- 26% Increase in Adjusted EBITDA to US\$7.5m
- 15% Growth in Cash Reserves to US\$16.9m
- 41% Rise in diluted EPS to 2.12 cents
- Proposed first dividend of two US cents per share

OPERATIONAL HIGHLIGHTS

- New customers 'live' on our TDP platform including WestJet and Virgin Australia
- New customers signed including jetBlue and Virgin Atlantic
- Datalex named "World's Leading Travel Merchandising Solution Provider 2013"
- Global technology partnerships with HP Enterprise Services (HPES) and PROS Inc.

REVENUE



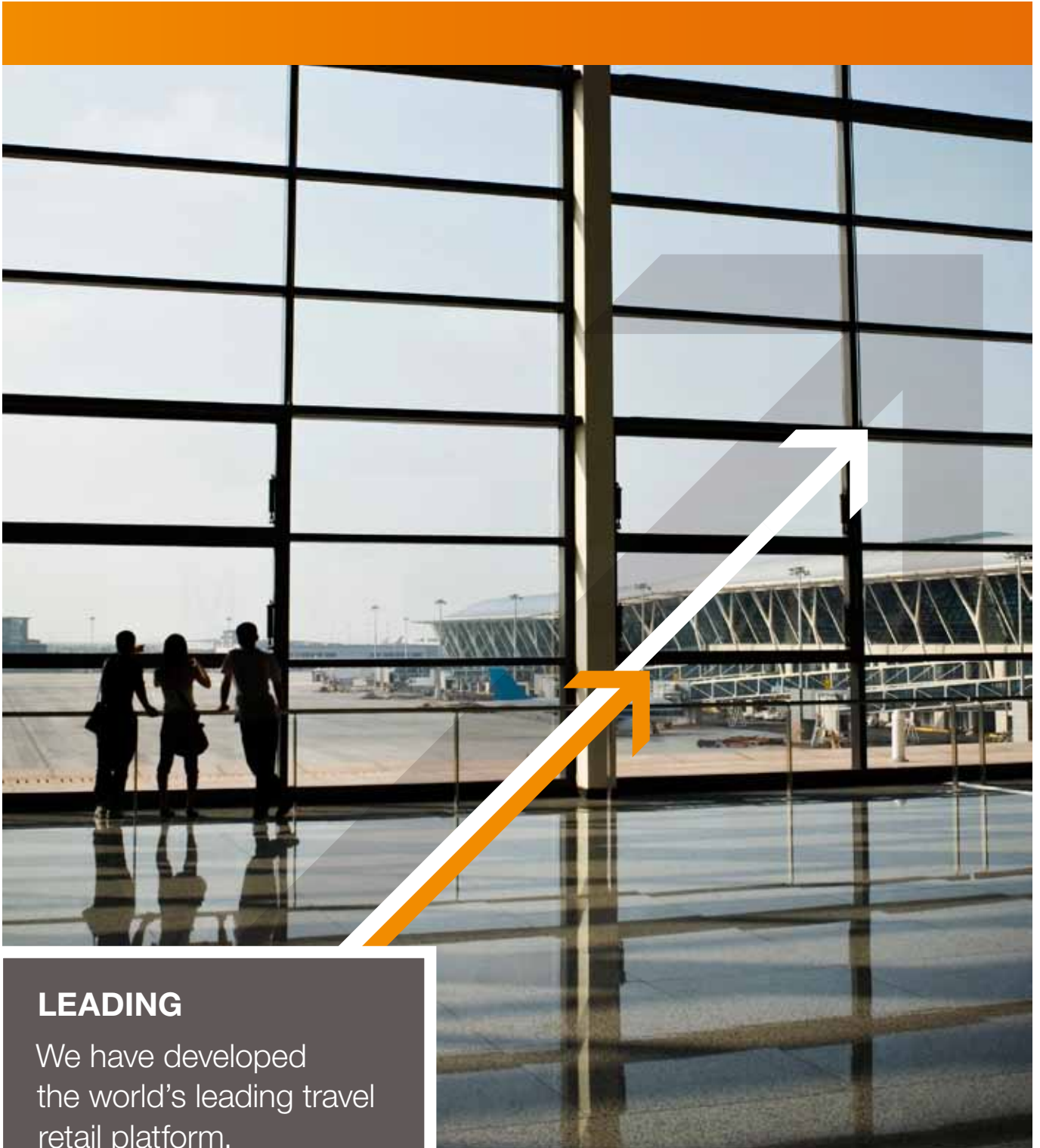
ADJUSTED EBITDA



CASH



HIGHLIGHTS OF THE YEAR



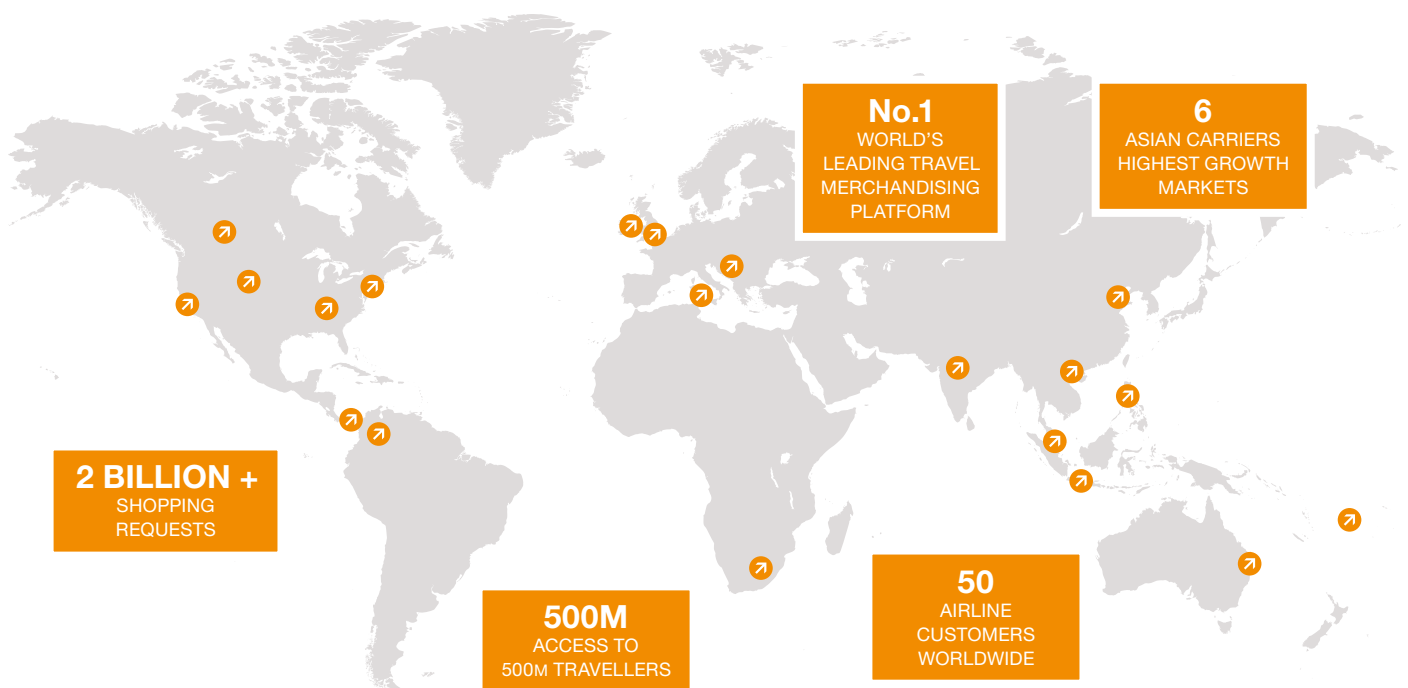
LEADING

We have developed the world's leading travel retail platform.

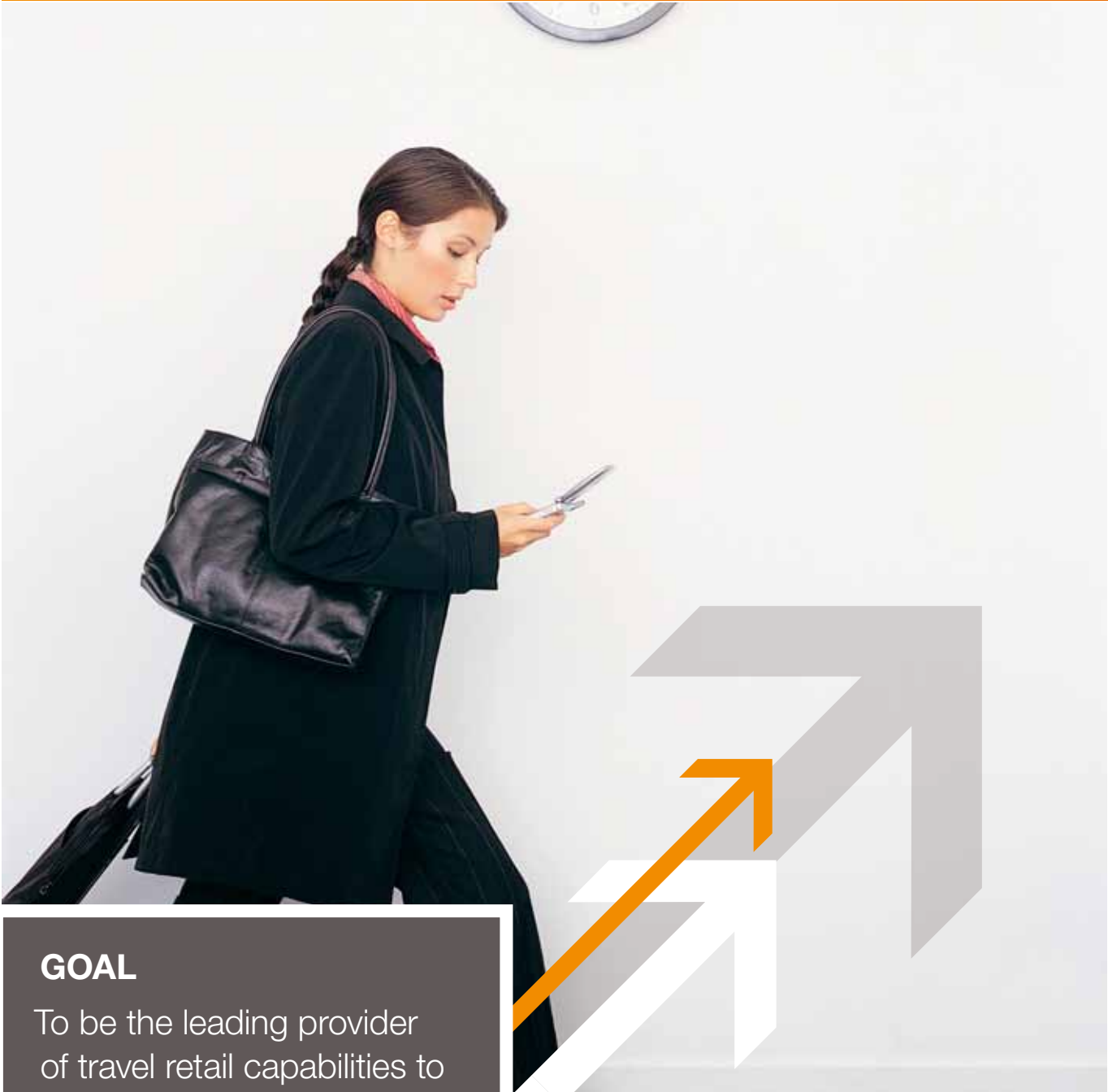


THE WORLD'S LEADING TRAVEL RETAIL PLATFORM

In 2013, One Billion people used Datalex software to shop for their travel needs.



Voted the World's Leading Travel Merchandising Solution Provider 2013 at the World Travel Awards. Datalex is a leading provider of retail ecommerce solutions to the travel industry, which its customers use to maximise value from their complete retail brand experience. Datalex is technology partner to some of the world's largest and most profitable travel retailers which represent over 500 million travellers annually, present in every market and on every continent.



GOAL

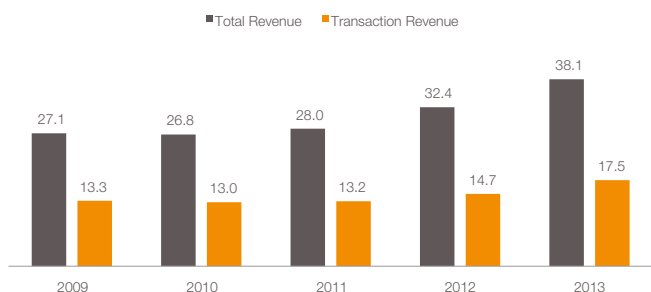
To be the leading provider of travel retail capabilities to the global travel industry.

KEY PERFORMANCE INDICATORS

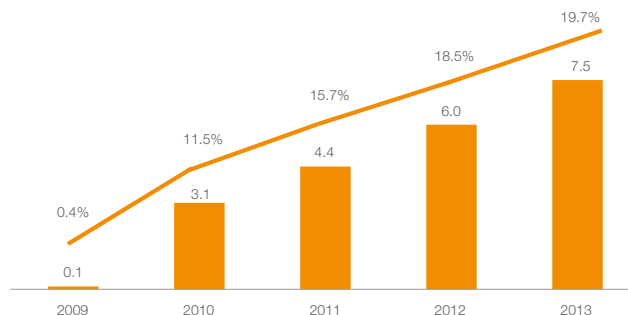
EXTRACTING OPERATING LEVERAGE FROM OUR PRODUCT INVESTMENT AS WE INCREASE OUR CUSTOMER BASE.

Datalex uses a set of key performance indicators to measure the performance of its operations and to track the development of its business model. These metrics demonstrate how well we are extracting operating leverage from our product investment and infrastructure as we grow our customer base and increase our cash conversion.

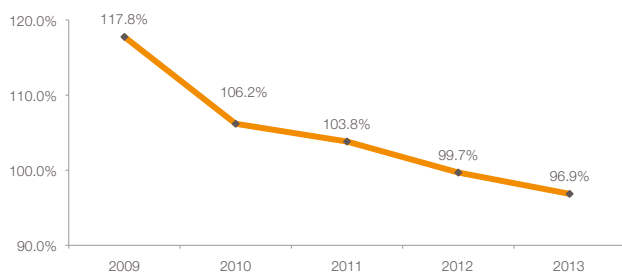
Revenue (US\$m)



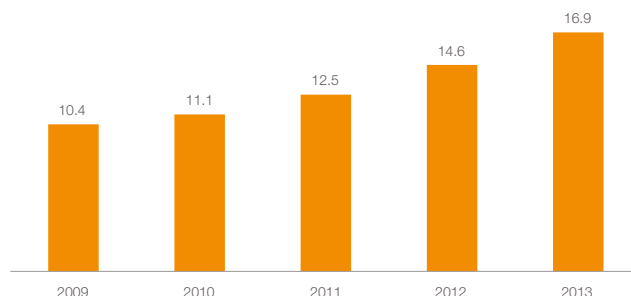
Adjusted EBITDA (US\$m) Adjusted EBITDA Margin (%)

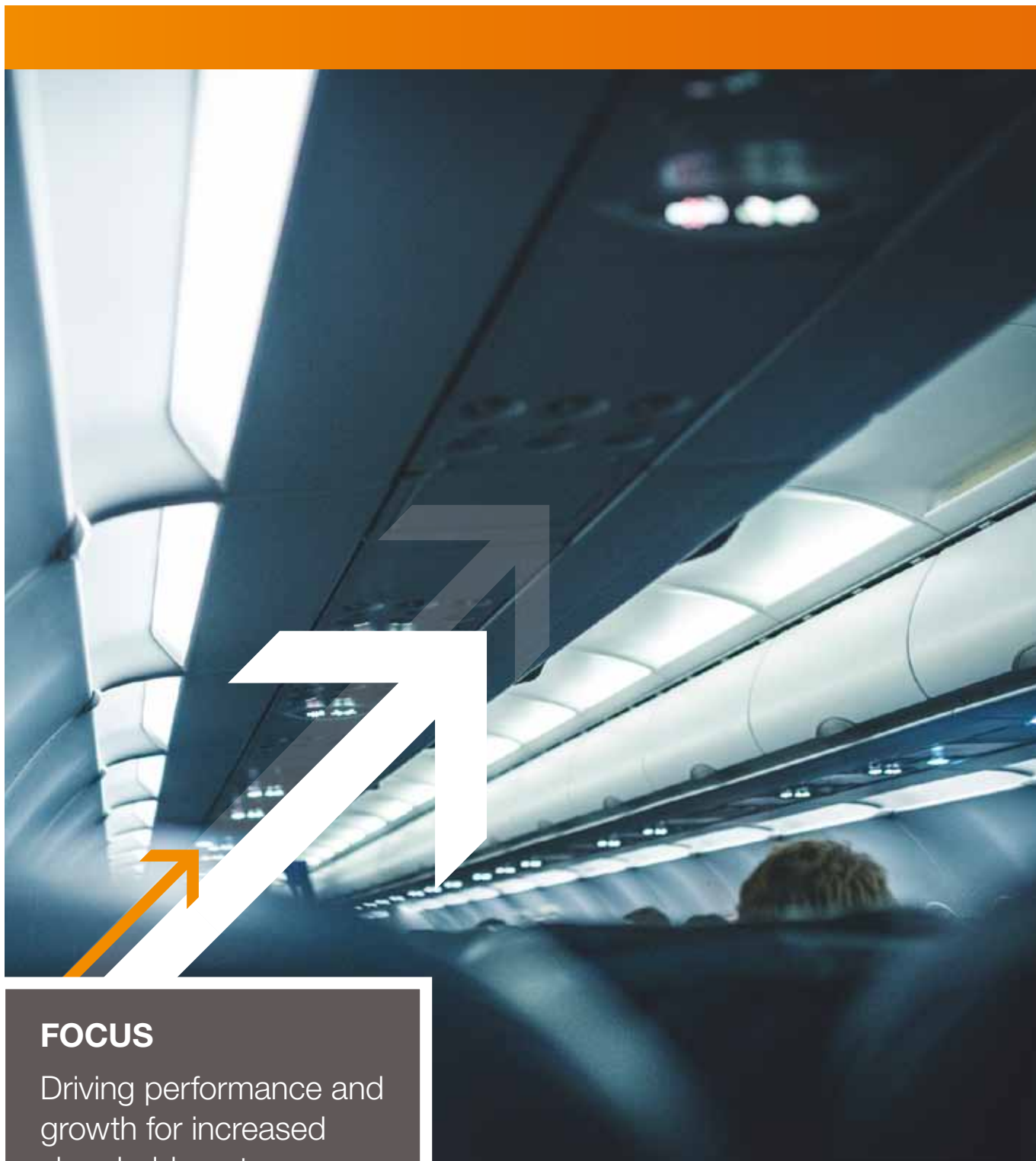


Costs / Revenue (%)



Net Cash (US\$m)





FOCUS

Driving performance and growth for increased shareholder return.

CHAIRMAN'S STATEMENT



BUSINESS UPDATE

2013 has been a very successful year for Datalex. This year, we deployed our platform at a number of leading airlines, including WestJet and Virgin Australia. We have also signed a number of very significant new customers, including such premier global brands as jetBlue and Virgin Atlantic. These go lives and new wins will drive performance and growth in the years ahead.

“I am pleased to propose the first dividend payment in the history of the company. This is a strong statement of the Board’s confidence in the future of Datalex. We are confident that the investment in product coupled with our outstanding customer base, heralds the beginning of a sustained and significant growth in shareholder value.”

FINANCIAL PERFORMANCE

In total in 2013 we achieved an 18% increase in total revenue and a 26% increase in Adjusted EBITDA compared to 2012. Our net profits increased to US\$1.6m, and we grew our cash reserves by 15% to US\$16.9m.

2013 was the fourth consecutive year of double digit percentage growth in Adjusted EBITDA and cash reserves and we have set ourselves ambitious growth targets for the coming years. With the new customer wins secured in 2013, we are confident that the foundation for this continued growth is in place. While our industry will always present challenges and opportunities, we believe we have never been better positioned to make Datalex a leading player in the travel retail industry.

PROPOSED DIVIDEND

Datalex enjoys a strong degree of financial flexibility as a result of our balance sheet strength and continued cash generation. This flexibility will underpin our long term growth strategy while ensuring an appropriate capital structure.

I am pleased to report that the Datalex Board will recommend to shareholders the payment of a first dividend of two US cents per share. This is an important milestone for Datalex and marks the first dividend to be paid to shareholders.

The commencement of a dividend policy is a strong statement of the Board’s confidence in the company’s future. We believe that the investment in our product to date, coupled with our outstanding customer base, should result in continued growth in shareholder value.

BOARD COMPOSITION


I and my colleagues on the Board are very aware of the need to ensure that our Board continues to have the skills, experience and knowledge to meet the demands of the business, particularly in this time of rapid growth. In that context we are delighted to have been able to attract such a high calibre individual as Mr. Garry Lyons, who joined us as a Non-Executive Director in June 2013. Garry is the Chief Innovation Officer of Mastercard Labs Worldwide, and was previously CEO of payments provider Orbiscom. He brings a wealth of global software experience to the Board, and will undoubtedly make a significant contribution to the business.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

The Board is committed to maintaining best practices of corporate governance, including the provisions of the 2012 UK Corporate Governance Code, and the additional requirements of the Irish Annex. The Board is satisfied that the company has effective processes in place for identifying and managing the risks faced by business, and has an effective system of internal controls in place to safeguard the integrity of the business. A detailed statement, set out on pages 26-35, describes how we have complied with the principles of good governance.

2014 OUTLOOK

The Group remains well positioned to deliver continued progress in 2014. We have a clearly defined growth strategy, a market leading product and an outstanding group of people in the business. We are confident that we can continue to grow shareholder value in 2014 and beyond.



Paschal Taggart,
Chairman, Datalex plc.

CHIEF EXECUTIVE REVIEW



INTRODUCTION

2013 was a year in which we successfully aligned our operations and market strategy around our core value driver, transaction revenue growth. Our strong performance in 2013 was achieved through a focused sales acquisition strategy, successful deployments with major airline customers and selective strategic partnerships which extend market reach. We have developed the world's leading travel retail solution and created strong partnerships with leading airlines in key markets. In 2014, we will maintain momentum and focus on performance and growth to deliver increasing shareholder return.

TRANSACTION REVENUE GROWTH

19%

ADJUSTED EBITDA GROWTH PER ANNUM

26%

PERFORMANCE

In 2013 we grew our revenues, Adjusted EBITDA and cash reserves. Some of the performance highlights include:

- Total revenue up 18% to US\$38.1m
- Transaction revenue up 19% to US\$17.5m
- 26% increase in Adjusted EBITDA to US\$7.5m
- 15% increase in cash reserves at year end to US\$16.9m

2013 was the fourth consecutive year of positive cash generation in the business and our Board is pleased to recommend the commencement of a dividend policy. This is a clear statement of confidence in the future growth of the business.

HORIZONS FOR GROWTH

Our goal is to be the leading provider of travel retail capabilities to the global travel industry. This calls for Datalex to be a thought leader in the growth and transformation of the travel retail practice. More than anything else I believe this is what differentiates Datalex from our competition.

We have set ourselves very ambitious targets for the next number of years, and I am pleased to report that in 2013 we made significant progress towards these objectives. We have also put in place some of the building blocks that will help us deliver on future growth.

“These new signings will be brought live in 2014 and will contribute to growth in 2015 and beyond”

“WestJet’s fare bundles and check-in upgrade incremental revenues are tracking to produce over \$80m in our first year after market launch.”

**Gregg Saretsky,
CEO, WestJet Airlines**

OUR CUSTOMERS

In 2013, we brought a number of new customers live on our platform including WestJet and Virgin Australia.

2013 was also a successful year for new customer acquisition activity, with a number of prominent new customer signings. Our customer profile represents a focused market strategy to attract innovative and transformative airline retailers with whom we share a vision for growth. Some of the new members of the Datalex customer base include:

- jetBlue Airways, a 30m passenger airline headquartered in New York, consistently ranked highest in customer satisfaction among all US airlines.
- Virgin Atlantic, serving 36 destinations worldwide, recognised as one of the most iconic travel retail brands in the world.

In our Interim Management Statement last November, we outlined that we had reached agreement with a South American carrier and expected to conclude contracts by year end. We were unable to agree a satisfactory commercial model with this customer and we declined to proceed with the engagement.

The current new business pipeline is strong and we expect to close two new contracts in the second quarter of 2014.

We recognise that our customers must make difficult decisions to adapt to the complex and challenging business environment in which they operate. It is

CHIEF EXECUTIVE REVIEW

essential that we anticipate and plan for such market realities which will affect our business. In 2013, we faced this, where one of our customers, dealing with significant business challenges, was forced to suspend a number of programmes, one of which was the deployment of our platform. While we always ensure we are appropriately protected from a contract viewpoint, this event was nevertheless disappointing; but it gives us comfort that the scale of our business is such that we can absorb such events without materially impacting our performance or growth.

“Putting in place building blocks for future growth”

INCREASE IN CASH RESERVES

15%

OUR INDUSTRY

The airline industry will celebrate 100 years of commercial aviation this year and will carry more than 3.3 billion passengers across the globe. Demand for air travel continues to follow global business confidence and economic outlook. Airlines expect a 30% increase in passenger demand by 2017 according to the International Air Transportation Association (IATA). Today, over 40% of all airline bookings are transacted online and this is predicted to grow to 59% by 2017.

Overall, revenues have grown substantially for airlines since 2010 with an upward trend on the industry's return on invested capital, yet profit margins remain fragile and further improvements are essential. Ancillary revenues remain a key driver for improved airline financial performance with many airlines aggressively investing in new technologies to optimise revenues they are already generating and to generate new revenue streams. Based on historic data, IATA forecast that average ancillary revenue per passenger will exceed US\$13 per passenger in 2014.

Already, Datalex customers far exceed that number by virtue of their business innovation and the retailing and service capabilities delivered through our platform. In 2013, as an industry leader in travel technology, we have worked closely with IATA to enable new technology standards which will enable further growth in airline fare and ancillary product distribution.

OUR PRODUCT

Keeping pace with consumer trends, airlines will continue to require investment in retail technology to deliver increased value and choice to their customers and drive much needed profitability. In 2013 Datalex invested over US\$3m in its product, including the development of new merchandising and personalisation features for multiple travel offerings and new applications to enable business to business retail. As consumption activity continues to shift towards tablet and mobile, we are also focused on optimising the retail experience across multiple devices.

INTELLECTUAL PROPERTY

I am very proud of our people, their passion and thought leadership as architects of the future travel retail experience. Our research and development group, primarily based in Ireland, continue to extend the capabilities of our product with a focus on new generation, loyalty and payment practices as well as predictive BIG Data science for retail optimisation. We take great care to protect our valuable IP, and we use a combination of patents, contractual provisions and confidentiality procedures to do so.

OUTLOOK FOR 2014

Over the last three years we have delivered Adjusted EBITDA growth of over 25% per annum. With the new customers we brought live on our platform in 2013 coupled with the significant new signings during the year, we look forward to continued growth in the years ahead.

For Datalex, 2014 will also be a year of investment, as we build on the success of 2013 and lay the foundation for future growth. Specifically we plan to:

- Open an office in Beijing to support both current customers and the strong pipeline that we have in the strategically important Chinese market.
- Continue to invest in our data centre and hosting infrastructure to support business growth, and ensure we have a market leading solution for our customers.
- Invest in the key retail capabilities and skills sets that will enable us to maintain our market leading position, as part of our 'Customer Success' account management strategy.

I thank my colleagues across the business for their continued commitment and exemplary contribution to the success of the company. Together we have worked hard to build the capability and strategy for sustainable growth.

I would like to extend a sincere thanks to our customers and business partners for their continuing support and trust.

I would like to thank the Board for their support in 2013, in particular our chairman Paschal Taggart. I welcome Garry Lyons, who joined the Board last June. His wealth of experience and expertise has already made a significant contribution to the business.

Finally I thank our shareholders for their continued support. I believe we are only at the beginning of a great journey for Datalex, and I look forward to delivering further growth in shareholder value in 2014 and beyond.



Aidan Brogan,
Chief Executive Officer



“This strategic agreement with Datalex will significantly improve the customer travel experience and also drive revenue opportunities.”

Eash Sundaram
jetBlue, EVP & CIO
29 January 2014

FINANCIAL REVIEW



INTRODUCTION

In 2013 we delivered our fourth consecutive year of double digit percentage growth in Adjusted EBITDA and cash reserves. We also secured a number of significant new customer wins, which will help us maintain this trajectory in 2014 and beyond.

	2013 US\$m	2012 US\$m	Growth %
Revenue	38.1	32.4	18%
Transactions revenue ⁽¹⁾	17.5	14.7	19%
Operating costs ⁽²⁾	36.8	32.3	14%
Adjusted EBITDA ⁽³⁾	7.5	6.0	26%
Profit after tax ⁽⁴⁾	1.6	1.1	43%
Cash and cash equivalents	16.9	14.6	15%
Net working capital	19.3	15.2	28%
EPS - Basic (cent)	2.24	1.59	41%
EPS - Diluted (cent)	2.12	1.50	41%

- (1) Transaction revenue is defined in Note 2.3 Revenue recognition.
 (2) Operating costs include cost of sales, selling and marketing costs and administrative expenses (see Note 14).
 (3) Adjusted EBITDA is defined as Earnings from continuing operations before (i) interest expense, (ii) tax expense, (iii) depreciation and amortisation expense and (iv) share-based compensation expense (see Note 13).
 (4) The 2013 profit after tax includes recognition of previously unrecognised net deferred tax assets of US\$0.2m (2012: US\$0.8m).

REVENUE

Total revenue increased by 18% in 2013 to US\$38.1m, which included a 19% rise in transaction revenue to US\$17.5m (2012: US\$14.7m) driven by new go lives at WestJet and Virgin Australia, and the full year impact of the customers we brought live during 2012. This profile is typical of our revenue momentum, where each year we see the impact of current year go lives and the full year run rate of the previous year go lives. As a consequence, we will only see the full bottom line contribution from new customers we signed in Q4 2013 from 2015 onwards.

Our services revenue grew by 13% to US\$15.9m in 2013 (2012: US\$14.1m) driven by deployments at new customers and increasing activity at current customers. Other revenue includes an amount of US\$1.3m received from a customer who, following a review of its full IT architecture and investment plans, was forced to suspend a number of programmes, including the deployment of our product.

OPERATING COSTS

Our cost base grew by 14% to US\$36.8m (2012: US\$32.3m). The main increases were activity related: payroll costs (excluding share option amortisation charge) rose by US\$1.6m to US\$17.8m and contractor costs up by US\$0.9m to US\$7.5m. These additional resource costs reflect the increase in services revenue generated in the year, coupled with the weakening of the Dollar against the Euro in 2013 compared to 2012.

ADJUSTED EBITDA, PROFIT AFTER TAX, EARNINGS PER SHARE

Adjusted EBITDA grew 26% to US\$7.5m, and Profit after tax for the year was US\$1.6m (2012 US\$1.1m). Diluted Earnings per Share in 2013 was 2.12 cents, an increase of 41% on the previous year. The Profit after tax for the year is after charging amortisation of product development of US\$4.3m (2012: US\$4.5m) and crediting capitalised product development of US\$3.0m (2012: US\$3.5m). The Profit after tax also includes recognition of deferred tax assets of US\$0.2m (2012: US\$0.8m).

Our Basic Earnings per Share in 2013 was 2.24 cent (2012: 1.59 cent).

BALANCE SHEET AND FINANCIAL POSITION AT 31 DECEMBER 2013

Cash reserves at 31 December grew 15% to US\$16.9m (2012: US\$14.6m). Year end working capital grew US\$4.1m to US\$19.3m. Our balance sheet strength provides us with the flexibility and capacity to exploit our current market growth opportunity and to pursue our strategic growth ambitions over the coming years.

Trade receivables and accrued income at 31 December were US\$9.6m (2012: US\$6.5m). The increase in accrued income of US\$1.9m was driven mainly by the commencement of work on new customers' deployments signed in 2013 as well as an expansion in the programme of work with a major customer. We anticipate that this increase in accrued income will unwind during 2014.

At 31 December 2013 the Group had recognised deferred tax assets of US\$1.1m (2012: US\$0.8m) as a result of the projected increase in profitability of the business in the coming years, underpinned by the new customers signed in 2013. At the balance sheet date the Group also has unrecognised deferred tax assets amounting to US\$31.3m (2012: US\$32.5m).

David Kennedy,
Finance Director

RISKS AND RISK MANAGEMENT

As a leading provider of mission critical software products to global airlines, it is critical that Datalex maintains a strong risk management capability. The Board of Directors is responsible for the effective management of risk across the business.

The main features of the Group's risk management system are described on pages 32 through 34. A summary of the Group's key risks, their potential impact and how the company manages these risks is set out below.

RISK	DESCRIPTION	MEASURES TO REDUCE
STRATEGIC RISKS		
Competitor Activity	Datalex operates in a highly concentrated competitive environment. Technical or commercial innovations could adversely affect the Group's performance	The Group has a focused approach to its market and has strong competitor intelligence, which ensures we are fully aware of any market developments. The Group also invests in product development to ensure that our products maintain their leading edge.
Business Growth	As outlined on page 8, the Group has developed an ambitious strategy which will deliver sustained growth in shareholder value in the coming years. This is predicated on our ability to continue to win new business and to expand our product offerings.	<p>The Group is pursuing a multi-horizon growth strategy, using both direct market channels and selective partnerships with industry leading players such as SITA and HP to grow market share.</p> <p>The Group will also open an office in Beijing in mid 2014 and has retained a senior local business development manager for the Chinese market.</p>
COMMERCIAL RISKS		
Loss of Key Customers	The Group maintains a deep and important relationship with its customers. The loss of a number of these customers would negatively impact on our growth and brand.	<p>The Group maintains a strong focus on account management and customer satisfaction. In 2013, the Group implemented a Customer Success strategy, to enhance its account management capabilities and drive organic growth. Under this strategy a Customer Success Manager has been appointed for each customer to ensure we are effectively aligned and that we continue to meet their operational and strategic needs.</p> <p>In 2014 the Group has continued to invest in this area, including the development of a business intelligence and retail best practices support service, and the creation of a Travel Retail R&D group with a number of our key customers, to develop the airline retail capability of the future.</p>

RISKS AND RISK MANAGEMENT

RISK	DESCRIPTION	MEASURES TO REDUCE
OPERATIONAL RISKS		
Service Delivery	Cost overruns and customer dissatisfaction due to service delivery delays.	The Group maintains a strong project management and execution focus and has a programme of continuous learning and improvement in place. The maturity of the platform also lends itself to an increasing 'off-the-shelf' deployment model.
Business interruption	Disruption to operational activities as a result of a significant event.	<p>The Group has identified back up measures for every mission critical system and has made provision for alternative working arrangements in the event that any office location is unavailable for any period of time.</p> <p>The Group also conducts periodic penetration testing by an external third party to ensure that our IT systems are properly protected from any malicious actions.</p> <p>In 2014 the Group will continue to invest in its infrastructure to ensure it continues to meet the needs of the business as it grows.</p>
Loss of key personnel	The success of the business is predicated on our ability to attract and retain high quality IT people.	<p>The Group HR function manages this risk through succession planning, employee feedback reviews and ongoing resource networking.</p> <p>The Group also maintains strong relationships with two outsource partners which provides us with the ability to flex our resource base as needed.</p>
Product Quality	The Group provides mission critical software to its customers who use it to generate a high percentage of their revenues.	<p>The Group has a robust quality management process in place, including code quality reviews and automated testing controls.</p> <p>The Product Development organisation also operates a programme of continuous improvement to its build, test and deployment activities.</p>

RISKS AND RISK MANAGEMENT

RISK	DESCRIPTION	MEASURES TO REDUCE
FINANCIAL RISKS		
Foreign Exchange	The Group's revenues are primarily denominated in US\$, but the majority of the Group's cost base is in Euro and Sterling. Adverse fluctuations in exchange rates can negatively impact financial performance.	The Group tightly manages its foreign exchange exposure through mechanisms such as forward contracts.
Credit risk	The Group's customers operate in a challenging environment. Failure to manage receivables could impact on our financial performance.	The Group maintains a strict credit policy and closely monitors trade debt on an ongoing basis.

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Paschal Taggart (Chairman)
Aidan Brogan (Chief Executive Officer)
David Kennedy (Finance Director)
John Bateson
Peter Lennon
Roger Conan
Garry Lyons (appointed 21 June 2013)

SECRETARY David Kennedy

REGISTERED OFFICE

Block U
East Point Business Park
Clontarf
Dublin 3

BANKERS

Bank of Ireland
Sutton Cross
Dublin 13

SOLICITORS

McCann Fitzgerald
Riverside One
Sir John Rogerson's Quay
Dublin 2

Maples and Calder
75 St. Stephens Green
Dublin 2

AUDITORS

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1

REGISTERED NUMBER 329175

BOARD OF DIRECTORS

PASCHAL TAGGART (CHAIRMAN)

Paschal Taggart was appointed a Non-Executive Director in 2001, and was appointed Chairman of the Board in December 2009. A very experienced finance professional with significant commercial expertise, he was formerly Chairman of Orbiscom plc and has been Chairman of a number of major Irish and international businesses including ITG plc, Ireland on Sunday (1998-2001) and Jervis St. Shopping Centre (1995-1999). He is a former Director of Rosslough Holdings Ltd. (1995-1999) and a former partner in Bastow Charleton (1975-1985), Gilmore Taggart (1985-1991), and Cooney Taggart (1991-2012).

JOHN BATESON (NON-EXECUTIVE DIRECTOR)

John Bateson was appointed as a Non-Executive Director of Datalex in November 2006. He is a graduate of Trinity College Dublin and, having qualified with KPMG, is a Fellow of the Institute of Chartered Accountants in Ireland. John is the Managing Director of International Investment and Underwriting (IIU) and, in representing IIU on the boards of various companies, both private and publicly quoted, has developed significant experience in international technology businesses. Prior to IIU, John was with the corporate finance department of NCB.

ROGER CONAN (NON-EXECUTIVE DIRECTOR)

Roger Conan is a private investor and company director. He qualified as a Chartered Accountant with KPMG, where he spent four years in General Practice and four years in Corporate Finance. In 1984 he joined National City Brokers, the forerunner of the NCB Group. He then transferred to Dedeir, an investment company, where he was responsible for the finance and monitoring of a number of investments. In 1990 he was appointed general manager of IFSC South Block Ltd which developed IFSC House. In 2000 he became self employed. He has since advised on finance, strategy and development.

PETER LENNON (NON-EXECUTIVE DIRECTOR)

Peter Lennon has been a Non-Executive Director of Datalex since 1993, and brings to the company a wealth of specialised legal and industry expertise. A practicing lawyer and partner in the law firm Maples and Calder, he specialises in litigation and advises many Irish underwriters and English underwriters on liability claims matters. He also specialises in aviation law. Peter acts for most of the major carriers operating out of the Republic of Ireland, both in their general aviation matters and also in their aviation claims. A graduate of Trinity College Dublin, Peter holds a BA Mod. (Legal Science) and an LLB.

GARRY LYONS (NON-EXECUTIVE DIRECTOR)

Garry Lyons was appointed to the Board in June 2013. Mr. Lyons is Chief Innovation Officer and Head of MasterCard Labs for MasterCard Worldwide, where he also runs the company's global R&D arm. Prior to his appointment at MasterCard, he was the Chief Executive Officer of Orbiscom, a leading provider of innovative payment solutions to the global financial services industry. Garry is a Technologist by training, with a B.Sc. in Computer Applications from Dublin City University, and he has nearly 20 years' experience in the software and financial services industries, primarily focused on innovation and on the technology and business development aspects of deploying complex, large scale payment systems to some of the largest financial institutions in the world. Prior to joining Orbiscom, Mr. Lyons held various senior technology positions in Cognotec, Credo and ICL.

AIDAN BROGAN (CHIEF EXECUTIVE OFFICER)

Aidan Brogan joined Datalex in 1994. Aidan was appointed to the Board on 25 June 2012, and took up the role of CEO on 11 September 2012. Prior to taking up the CEO position Aidan was SVP of sales, and was instrumental in building the leading product and market position for Datalex. With nearly 20 years' experience in the airline and travel industry, Aidan's background includes project management, system design, product development, marketing, business planning and international sales. Previous to this Aidan served a variety of roles for Westinghouse in Dubai, UAE, in its airline and travel business in the Middle East such as Regional Sales Manager and a range of support and development roles.

DAVID KENNEDY (FINANCE DIRECTOR AND COMPANY SECRETARY)

David Kennedy joined Datalex as Finance Director and Company Secretary in October 2007 and was appointed to the Board as Finance Director in December 2008. Prior to joining Datalex he was Financial Controller at ESB International, the international engineering and consultancy group based in Dublin, with operations in over 20 countries. Before this he held a number of senior finance and strategy roles within ESB Group, the Irish electricity utility. David qualified with Grant Thornton and later joined Arthur Andersen's tax consulting division. David holds an MBA from the Smurfit School of Business at University College Dublin and has completed the CFO 'Leadership for Growth' programme at Stanford Graduate School of Business. He is a Fellow of The Institute of Chartered Accountants in Ireland and is a member of the Institute of Directors.

BOARD OF DIRECTORS

DATE OF APPOINTMENT (AND LENGTH OF SERVICE) TO THE BOARD AND COMMITTEES OF DATALEX PLC

NAME	DATALEX PLC BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATION COMMITTEE
John Bateson	20 November 2006 7 years 1 month	5 February 2007 6 years 11 months	21 April 2010 3 years 8 months	21 April 2010 3 years 8 months
Roger Conan	30 May 2011 2 years 7 months	15 December 2011 2 years 1 month	6 February 2012 1 Year 11 months	6 September 2012 1 year 4 months
David Kennedy	15 December 2008 5 years 1 month	-	-	-
Peter Lennon	4 August 2000* 13 years 5 months	3 December 2009 4 years 1 month	4 August 2000 13 years 5 months	-
Paschal Taggart	24 September 2001 12 years 3 months	-	24 September 2001 12 years 3 months	24 September 2001 12 years 3 months
Aidan Brogan	25 June 2012 1 year 6 months	-	-	-
Garry Lyons	21 June 2013 6 months	-	-	-

* Peter Lennon has been a director of the Datalex Group since 1993 prior to the incorporation of Datalex plc on 4 August 2000.

DIRECTORS' REPORT

The directors present their Annual Report together with the audited consolidated financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITY

The principal activity of the Group is the development and sale of a variety of direct distribution software products and solutions to the travel industry.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

The directors consider that the development in the Group's business and its financial position at the year-end was satisfactory. In 2013 the Group brought its platform live at WestJet and Virgin Australia, won a number of new contracts, and has grown its Adjusted EBITDA and cash generation on the previous year. A detailed review of the business is included in the Chief Executive's Review and Financial Review.

CORPORATE GOVERNANCE

The directors' report on Corporate Governance on pages 26 to 35 sets out the Company's application of the principles and compliance with the provisions of the UK Corporate Governance Code, published by the Financial Reporting Council in September 2012 and forms part of this Directors' Report.

The Irish Corporate Governance Annex ('the Annex'), published by the Irish Stock Exchange, is applicable for companies with a listing on the Main Securities Market of the Irish Stock Exchange for financial periods commencing on or after 18 December 2010. The Annex includes additional recommendations to the Code. The Group has applied these recommendations this year, details of which are also set out in the Directors' Statement on Corporate Governance.

PRINCIPAL RISKS AND UNCERTAINTIES

Under Irish Company law (Regulation 5(4)(c)(ii) of the Transparency Directive (004/109/EO) Regulations 2007, the Company is required to give a description of the principal risks and uncertainties which it faces. The principal risks and uncertainties reflect our competitive environment and the operating characteristics of our industry, and a summary of these risks, together with details of how they are managed, are set out on pages 16 to 18.

We are satisfied that we have the systems, processes and expertise in place to effectively manage our business risk environment. The mechanisms through which the principal risks and uncertainties are managed are addressed in the Risk Management and Internal Control section of the Corporate Governance Report on pages 32 and 33.

EMPLOYEES

The Group's employees continue to be its most valuable asset and the health and safety of its employees are of particular importance to the Board. The Group provides its employees with a safe and healthy work environment. Please see Note 16 to these financial statements for details of our average number of employees.

RESULTS, TOTAL ASSETS AND DIVIDENDS

The consolidated balance sheet at 31 December 2013 and the consolidated income statement for the year are set out on pages 46 and 47 respectively.

DIVIDENDS

The Board of Directors is recommending payment of a dividend of two US cents per share.

SUBSIDIARY COMPANIES

The information required by the Companies (Amendment) Act, 1986 in relation to subsidiary undertakings is given in Note 6 to these financial statements.

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 the employment of competent persons. The books of account are maintained at the Company's registered office in Block U, East Point Business Park, Clontarf, Dublin 3.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDINGS

The company had been notified of the following interests in its issued share capital:

Name of Holder	Number of US\$0.10 Ordinary Shares	% of Issued Share Capital*
IIU Nominees Limited	20,644,981	27.85%
Pageant Holdings Limited	8,000,000	10.79%
Farringdon Capital Management SA	3,702,380	5.00%
Mr. Paschal Taggart	2,688,329	3.63%

* Percentage of ordinary share capital in issue on 20 March 2014.

Apart from these holdings, the company has not been notified of any other interest of 3% or more in its issued ordinary share capital.

SHARE CAPITAL AND CONTROL

As at 31 December 2013, the Company's authorised share capital comprised US\$10,488,000, divided into 100,000,000 ordinary shares of US\$0.10 each, representing 95.4% of the total share capital, 4,500,000 'A' and 'B' convertible redeemable shares of US\$0.10 each, representing 4.3% of the total share capital and 30,000 deferred shares of €1.269738 each, representing 0.3% of the total share capital. The ordinary shares are listed on the Irish Stock Exchange.

The rights attaching to these shares are set out in the notes to these financial statements.

There are no restrictions on transfer or limitations on the holding of any class of shares and no requirements for prior approval of any transfers. None of the shares carry any special rights with regard to control of the Company. The only restrictions on voting rights are those that apply to the convertible redeemable shares and deferred shares as described in the notes to these financial statements. There are no known arrangements on restrictions on share transfers or on voting rights. Ordinary shares acquired through share option schemes rank *pari passu* with the shares in issue and have no special rights.

As far as the Company is aware, there are no persons with significant direct or indirect holdings in the Company, apart from those as disclosed in the substantial shareholdings above.

The rules about the appointment and replacement of directors are contained in the Company's Articles of Association. Changes to the Articles of Association must be approved by the shareholders in accordance with the legislation in force from time to time.

The powers of the directors are determined by the Irish legislation and the Memorandum and Articles of Association of the Company in force from time to time, and are as set out in the Memorandum and Articles of Association of the Company.

The Company is not party to any significant agreements that would take effect, alter or terminate upon a change of control following a takeover bid. The Company does not have any agreements with any director or employee that would provide compensation for loss of office or employment resulting from a takeover except that provisions of the Company's share option schemes and Joint Share Ownership Plan may cause options granted to employees under such schemes and interests acquired under the Plan to vest on a takeover.

DIRECTORS AND SECRETARY

The names of the persons who were directors at any time during the year ended 31 December 2013 are set out below. Unless indicated otherwise, they served as directors for the entire year.

John Bateson*

Roger Conan*

David Kennedy

Peter Lennon*

Paschal Taggart*

Aidan Brogan

Garry Lyons* (Appointed to the Board on 21 June 2013)

(*denotes Non-Executive Director).

REAPPOINTMENT OF DIRECTORS

In accordance with the Company's policy, all directors will retire, and will offer themselves for re-election in 2014. Resolutions will be proposed at the Annual General Meeting to reappoint them. Biographical detail of all directors can be found on the Group's website and on page 20.

DIRECTORS' REPORT

DIRECTORS' AND SECRETARY'S INTERESTS

The directors and secretary (including the interests of spouses and minor children), who were in office at 31 December 2013, and their families, had the following beneficial interests in the share capital of Datalex plc at 31 December 2013 and 31 December 2012:

Director	2013 Ordinary Shares of US\$ 0.10 each	2013 Options over Ordinary Shares of US\$0.10 each	2012 Ordinary Shares of US\$0.10 each	2012 Options over Ordinary Shares of US\$0.10 each
John Bateson	-	-	-	-
Aidan Brogan (Note 1)	123,644	1,300,000	117,241	309,620
Roger Conan	216,900	-	216,900	-
David Kennedy	30,546	1,077,000	30,546	1,077,000
Peter Lennon	325,935	-	325,935	-
Garry Lyons	328,044	-	328,044*	-
Paschal Taggart	2,688,329	-	2,688,329	-

Note 1 Aidan Brogan also holds an interest in 260,000 ordinary shares under the Company's Joint Share Ownership Plan, implemented in January 2012 (see Note 9).

* Garry Lyons shareholding as at his date of appointment to the Board on 21 June 2013.

There have been no changes to the directors' interests outlined above between the year-end date and the date of approval of the financial statements.

GOING CONCERN

The directors have a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that would be required if the Group were unable to continue as a going concern.

SUBSEQUENT EVENTS

There have been no subsequent events that impact on the 2013 financial statements up to the date of this report.

POLITICAL DONATIONS

The Group and the Company did not make any political donations during the year.

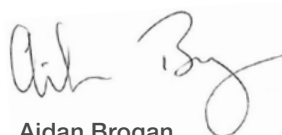
DEVELOPMENT ACTIVITIES

The Group actively engages in development activities relevant to its business. Details of development expenditure are set out in Note 5 to the financial statements and are also discussed in the Chief Executive Review.

AUDITORS

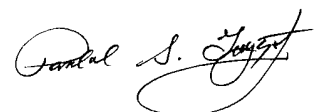
The auditors, PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On Behalf of the Board



Aidan Brogan

24 March 2014



Paschal Taggart

DIRECTORS' RESPONSIBILITIES STATEMENT

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

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

Irish company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are also required by applicable law and the Listings Rules issued by the Irish Stock Exchange, to prepare a Directors' Report and reports relating to Directors' Remuneration and Corporate Governance. In accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (the Transparency Regulations), the directors are required to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure the financial statements comply with the Companies Acts 1963 to 2013 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and 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 Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' STATEMENT PURSUANT TO TRANSPARENCY REGULATIONS

Each of the directors, whose names and functions are listed on pages 20 and 21 of the annual report confirms that, to the best of each person's knowledge and belief:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities and financial position of the Company and the Group and of the profit of the Group; and
- the Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company and Group, together with a description of the principal risks and uncertainties that they face.

The directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and the Group's performance, business model and strategy.

On Behalf of the Board



Aidan Brogan

24 March 2014



Paschal Taggart

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

This statement forms part of the Directors' Report set out on pages 22 to 24. The Group has adopted the provisions of the UK Corporate Governance Code (the code) and the additional requirements of the Irish Annex, with effect from 1 January 2011 and is committed to high standards of corporate governance as set out in the Code. The 2012 Code can be accessed from the following link: www.frc.org.uk/corporate/ukcgcode.cfm.

The Irish Stock Exchange requires Irish listed companies to make a statement on how they have applied the principles and a statement of how they complied throughout the accounting period with the provisions set out in the Code and the Irish Annex. Unless otherwise stated, where these requirements are of a continuing nature, compliance has been achieved throughout the year. These statements are set out below.

Under the interpretative provisions of the Irish Annex, Datalex plc is not regarded as being an equivalent size to a company included in the FTSE 350 index on the basis of its market capitalisation.

The Board welcomes the recent corporate governance developments, including the publication of the updated UK Corporate Governance Code (2012) which applies to the Group in the year ending 31 December 2013.

On page 25 of the Annual Report, as required by the Code Provision C.1.1, the directors state that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's performance, business model and strategy.

DIRECTORS

The Board of Directors is responsible for the overall leadership and strategic direction of the Group. The names of all the directors, together with their dates of appointment to the Board and its committees, can be found on pages 20 and 21.

In 2007 the Company established a Corporate Advisory Board, consisting of a number of senior global industry experts, including former airline CEOs, to advise it on market and product strategy. The members of this Board provide a valuable insight into our market development and help guide both management and the Board in their execution of the strategic plan.

The Company has developed an award winning multi-channel ecommerce product platform ('TDP') that offers market-leading retail and merchandising capabilities to its airline customers, which allows them to retail directly to their customers in a way that the industry incumbents cannot. The Company has seen continued growth in its business in 2013, and has added a number of new customers to its already strong customer base. The Board believes that the key value driver of the business is growth in transaction revenue, and this is enabled in the longer term through the enhancement of our product's leading edge, particularly in its merchandising capabilities. Together with the significant body of experience and expertise that our employees possess, the Board believes that the Company is well positioned to deliver continued growth in financial performance.

At 31 December 2013, the Board comprised seven directors, five Non-Executive Directors and two Executive Directors. On 21 June 2013, Garry Lyons, Chief Innovation Officer of Mastercard Labs Worldwide was appointed to the Board as a Non-Executive Director. Collectively, the Non-Executive Directors possess a wide range of financial, commercial and general management experience,

investment expertise and software industry experience. The Nominations Committee will continue to periodically review the composition of the Board and the Board's collective skills set to ensure it continues to meet the needs of the Company and its ambitious growth plans.

Neither of the Executive Directors hold any directorships in public companies outside of the Group.

There is a formal schedule of matters reserved for the Board for consideration and decision. These include approving annual operating and capital budgets, and decisions on strategic investments and direction. It also monitors Group performance against agreed objectives. The Non-Executive Directors meet without the Executive Directors present at the beginning of each board meeting. The roles of Chairman and Chief Executive Officer are separate, and there is a clear division of responsibilities between them.

The Board met eleven times during the year and in advance of each Board meeting, the directors are provided with information to enable them to discharge their duties. Any additional information requested by the directors is readily provided. Details of directors attendance at Board and committee meetings is set out on page 32. Directors are provided with extensive briefing papers on the Group and on an ongoing basis, the directors meet with key executives of the Group. Individual directors may seek independent professional advice at the Group's expense, where they judge it necessary to discharge their responsibility as a director. The Group maintains insurance cover in respect of the liability of its Directors and Officers to third parties.

The directors have varied backgrounds and experience. All directors bring independent judgement and constructive challenge to bear on issues of strategy, performance, resources and standards of conduct. There were no changes in the Chairman's

CORPORATE GOVERNANCE STATEMENT

significant commitments during the year. The Board is aware of the other commitments of its directors and is satisfied that these do not conflict with their duties as Non-Executive Directors of the Company.

CHAIRMAN

Mr Paschal Taggart has been Chairman of the Group since December 2009. While Mr. Taggart was a shareholder in the Company at the date of his appointment as Chairman and has served on the Board since 2001, the Board is satisfied that he meets all other independence criteria set out in the 2010 Code, and that he continues to demonstrate his independence in the manner in which he carries out his role as Chairman. Consequently the Board are of the view that the Chairman is independent.

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Roger Conan was appointed as Senior Independent Non-Executive Director on 25 February 2013, replacing Mr. Peter Lennon in the role. The Senior Independent Non-Executive Director is available to shareholders who have concerns that cannot be addressed through the Chairman, Chief Executive Officer or Finance Director, and he is also available to meet major shareholders on request.

COMPANY SECRETARY

The appointment and removal of the Company Secretary is a matter for the Board. All directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

TERMS OF APPOINTMENT

Non-Executive Directors are engaged under a letter of appointment. A copy of the standard letter of appointment is available on request from the Company Secretary. On appointment, directors are provided with briefing materials on the Group and its operations. Visits to the business and meetings with management are arranged, and ongoing briefings are provided as appropriate.

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The Board has evaluated the independence of each Non-Executive Director by considering a number of factors, including:

- Has any director been an employee of the company within the last five years?
- Has any director had a material business relationship with the company, directly or indirectly, in the last three years?
- Does any director receive additional remuneration from the company, apart from directors fees?
- Does any director have links to other directors, or family ties with the company's senior managers or advisors?
- Does any director represent a significant shareholder?
- Has any director served on the Board for more than nine years from the date of their first election?

Using these criteria, the Board has determined that each of the Non-Executive Directors is independent. The Board is aware that some shareholders might question the independence of certain Non-Executive Directors for the following reasons:

- Peter Lennon, has served on the Board since 1993, and also is a legal advisor to the Group through the firm Maples and Calder of which he is a partner.
- John Bateson, as representative of the largest shareholder in the Group, IIU Nominees Ltd.

The Board recognises that two directors, Paschal Taggart and Peter Lennon, have both served on the Board for more than nine years from the date of their first election. The Board recognises however, that the company has grown considerably over the last number of years and the Board believes that the company benefits from the continuity of tenure and considerable experience that Mr. Taggart and Mr. Lennon bring to bear on the company's governance. The Board is also satisfied that both the directors continue to demonstrate independence in the execution of their roles and their contribution to the overall performance of the Board.

In the case of John Bateson, it is the belief of the Board that he demonstrates his independence on an ongoing basis in the manner in which he carries out his role.

RETIREMENT AND RE-ELECTION

In accordance with the company's policy, each of the directors is required to submit himself for re-election each year. All directors are submitting themselves for re-election this year.

PERFORMANCE EVALUATION

The Board conducts an annual review of its own performance and any development needs and that of its committees and of each individual member, including any training and development needs, to ensure that the performance and skills of each director is appropriate to the needs of the company as the business develops. During 2013, this was primarily achieved through:

CORPORATE GOVERNANCE STATEMENT

- discussions held by the Chairman with directors on an individual and Group basis. The Chairman used a comprehensive questionnaire as a guideline to lead the discussions.
- a detailed review by the Senior Independent Director, on behalf of the Chairman, of the Board processes and activities in 2013 including the appointment of Garry Lyons as Non-Executive Director and the approval of the 2014 operating and capital budgets and three year strategic plans.
- a review by the Chairman of the effectiveness of each Board meeting and the contribution of individual Board members throughout the year. The review of individual Board members included an evaluation of their skills, independence and knowledge of the company. In addition, the Chairman also met separately with the Non-Executive Directors.

The senior independent Non-Executive Director also met with the other Non-Executive Directors without the Chairman present, to review the performance of the Chairman.

The Chairman is satisfied that, following the performance evaluation, each director's performance continues to be effective and that they are demonstrating the necessary commitment to the role.

REMUNERATION AND SHARE OWNERSHIP

Details of director's remuneration and share ownership are set out in the Remuneration Report on pages 36 to 39.

It is a requirement of the Irish Annex that any share awards to directors must have a minimum vesting period of three years from the date of grant. The Board notes that in January 2012 Aidan Brogan was granted 260,000 shares under the Company's Joint Share Ownership Plan, as described on pages

38 and 39, and that this grant is subject to a two year vesting period. The Board acknowledges that this award was made before Aidan Brogan was appointed as a director of the Company.

MEETINGS

The Board routinely meets at least eight times a year and additionally as required. During the year, the Board met eleven times. Details of directors' attendance at these meetings are set out on page 32.

The Chairman sets the agenda for each meeting in consultation with the Chief Executive Officer and the Company Secretary. The agenda and Board papers are circulated prior to each meeting to provide the directors with relevant information and enable them to fully consider the agenda items in advance of the meeting. In the event a director is unavailable to attend a Board meeting, he or she will receive the Board papers in advance of the meeting and can communicate their views on any items, to be raised through the Chairman at the meeting.

The matters considered by the Board at each meeting include a review of actual performance against approved budget and forecast performance through to the end of the period, the company's operational performance and customer satisfaction, the current status of the sales pipeline and any market and / or product developments since the previous meeting, and any changes to the business risk environment, including any credit risk events. The Board also periodically reviews the strategic development of the business against its three year plan. In 2013 these strategic reviews were carried out in February and December.

GENERAL MEETINGS

The Company's Annual General Meeting affords shareholders the opportunity to question the Chairman and the Board. The Notice of Annual General Meeting, the Form of Proxy and the Annual Report are issued to shareholders

at least 21 working days before the meeting. At the meeting, resolutions are voted on by a show of hands of those shareholders attending, in person or by proxy. After each resolution has been dealt with, details are given of the level of proxy votes cast on each resolution and the number of votes for, against and withheld. If validly requested, resolutions can be voted by way of a poll whereby the votes of shareholders present and voting at the meeting are added to the proxy votes received in advance of the meeting and the total number of votes for, against and withheld for each resolution are announced. Details of proxy votes received are made available on the Company's website following the meeting. All other general meetings are called Extraordinary General Meetings (EGMs). An EGM called for the passing of a special resolution must be called by providing at least 21 clear days' notice. Provided shareholders have passed a special resolution at the immediately preceding Annual General Meeting and the Company allows shareholders to vote by electronic means, an EGM to consider an ordinary resolution may, if the directors deem it appropriate, be called by providing at least 14 clear days' notice. A quorum for a general meeting of the Company is constituted by three or more shareholders present in person or by proxy and entitled to vote. The passing of resolutions at a meeting of the Company, other than special resolutions, requires a simple majority. To be passed, a special resolution requires a majority of at least 75% of the votes cast.

Shareholders have the right to attend, speak, ask questions and vote at general meetings. In accordance with Irish company law, the Company specifies record dates for general meetings, by which date shareholders must be registered in the Register of Members of the Company to be entitled to attend. Record dates are specified in the Notice of Annual General Meeting. Shareholders may exercise their right to vote by appointing a proxy/proxies, by electronic means or in writing, to vote some or all of their shares. The requirements for the receipt of valid

CORPORATE GOVERNANCE STATEMENT

proxy forms are set out in the Notice of Annual General Meeting. A shareholder, or a group of shareholders, holding at least 5% of the issued share capital of the Company, has the right to requisition a general meeting. A shareholder, or a group of shareholders, holding at least 3% of the issued share capital of the Company, has the right to put an item on the agenda or to table a draft resolution for inclusion on the agenda of a general meeting, subject to any contrary provision in Irish Company Law.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company's Memorandum and Articles of Association sets out the objects and powers of the Company and may be amended by a special resolution passed by the shareholders at a general meeting of the Company.

BOARD COMMITTEES

The Board has an effective Committee structure to assist in the discharge of its responsibilities. Each Committee has formal terms of reference approved by the Board and is governed by a statement of general principles and rules of procedure adopted by the Board. These are available on request from the Company Secretary.

AUDIT COMMITTEE

The Audit Committee has been charged by the Board with the task of overseeing the accounting, financial reporting, internal control and risk management processes of the Company, and the audit of the financial statements. The Committee has written terms of reference which set out its role, responsibilities and duties. These can be obtained on request from the Company Secretary.

The Audit Committee met six times during the year, and at 31 December 2013 comprised John Bateson (Chairman) – who has recent and relevant financial experience, Peter Lennon and Roger Conan. The

Committee members attended all the meetings during 2013, with the exception of Peter Lennon, who by prior arrangement, was absent from one meeting. The Finance Director and external auditors are invited, where relevant, to attend meetings of the Audit Committee, and Committee members regularly meet employees from a variety of departments to aid their understanding of the business.

In addition to having Terms of Reference, the Audit Committee also agrees a committee calendar of items which it considers to be of significance in order to ensure that all items are discussed appropriately and on a timely basis.

The Audit Committee assists the Board in discharging its responsibilities with regard to:

- Financial reporting: The Committee reviews the annual financial statements and any formal market announcements relating to the Group's financial performance, and reviews significant financial reporting judgements contained therein. In particular, the Committee's review incorporates a review of the consistency of, or, any changes to significant accounting policies; significant judgemental areas; and disclosure and compliance requirements. In advance of the year-end, the Committee reviewed the external auditor's 2013 year-end audit plan and during March 2014, reviewed in detail in the 2013 Post-Audit Report to the Audit Committee prepared by the external auditors.
- External Audit: The Committee monitors and reviews the independence and objectivity of the external auditor by receiving confirmation from the external auditor that they are independent from the Group, including details of the external auditor's internal policies and procedures for maintaining independence

and monitoring independence compliance. The Committee also reviews and monitors the Group's policy on the provision of non-audit services by the external auditor. The nature, extent and scope of non-audit services provided to the Group by the external auditor and the economic importance of the Group to the external auditor were also monitored to ensure that independence and objectivity was not impaired. Details of amounts paid to the external auditor during the year are set out in Note 14 to the financial statements. The Group has also monitored the effectiveness of the audit process, advising on the appointment, re-appointment and removal of the external auditors and review arrangements by which staff of the company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. At the conclusion of each year's audit, the Committee evaluates the performance of the external auditor. This is supported by obtaining feedback from the Executive Directors and relevant senior management covering quality of the audit team, business understanding and audit approach. The effectiveness of the audit is also assessed throughout the year through reviewing the quality and scope of the planning of the audit, the responsiveness to changes in our business, the quality of the post audit findings, the recommendations made by the external auditors on internal controls, the consideration of the auditor's independence, and the interaction at the Audit Committee meetings. In particular, the robustness of findings on areas which require judgement are specifically considered. A separate debrief between the lead audit partner and chair of the Audit Committee takes place annually.

CORPORATE GOVERNANCE STATEMENT

- Reviewing the effectiveness of the group's internal control system. In particular, the Audit Committee is mindful of the continuing growth of the business over the last three years, and the ever changing competitive market. The Committee closely monitors the potential impact of this on the effectiveness of key business processes, internal control systems and the overall risk environment of the company for example critical resource levels, pricing of new contracts, and controls around service and quality levels.
- Reviewing the communications with Regulators;
- Reviewing and monitoring the implementation of process improvements identified both by management and the external auditors during the year and in prior years;
- Reviewing the effectiveness of key accounting processes, such as the capitalisation of development expenditure and the revenue billing process;
- Ensuring the integrity of the Annual Report and Accounts and ensuring that the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Significant risks

Audit Committees reporting remit has been extended extensively to require specific discussion in respect of the work the Audit Committee undertook during the year in discharging its responsibilities, and the significant issues it dealt with, and how such issues were addressed. Most importantly perhaps it is expected that such matters would at least include those items communicated to the Board by the external auditors during the year.

The significant areas considered by the Committee were:

- **Accrued income/stage of completion for professional services revenue:**
The Committee reviewed the status of all major projects at year end and the related accrued income by customer, based on the project information reports as submitted to the Board of Directors and discussed the status of key projects with the relevant operational staff. The Committee has given consideration to the fact that for fixed fee large deployment projects which extend over long periods, the determination of stage of completion can be complex. The Group's management team have exercised their judgment on the stage of completion of certain large projects based on the time incurred, the work performed and project stages achieved at year end, as well as the estimate of effort and related costs up to completion. The Committee has discussed the underlying significant judgments and estimates supporting the accrued income calculation with management and concur with management's assessment thereof.

The committee also conducted a review of the data capture and billing procedures during the year. As noted in the Financial Review section, there was a significant increase in accrued income and accordingly this area has been considered at each Board meeting during the year. The external auditor also performed detailed audit procedures on accrued income and the stage of completion in respect of professional services revenue and reported their findings to the Committee.

The Committee was satisfied that the revenue recognised and accrued income at year end are appropriate. A number of process improvements were identified and are being actioned by management.

- **Capitalised product development:**

The Committee reviewed the process and value of capitalised development costs during 2013. The Committee's review included meetings with management and members of the finance team involved in the capitalisation process, a review of the capitalised product development costs process paper prepared by management and a review of the key elements of capitalised development spend in 2013. The Committee was satisfied that the approach is consistent with previous years and is in line with the relevant IFRS requirements.

- **Deferred tax:**

The Committee reviewed the assumptions underlying the amount of the deferred tax assets recognised at 31 December 2013. The external auditors reported and discussed their findings in this area with the Committee. After reviewing papers prepared by management and following its discussions with external auditors, the Committee was satisfied that the assumptions and judgments are reasonable, the calculations are accurate, and were also satisfied that the quantum of deferred tax assets as recognised and the relevant disclosures in the financial statements are appropriate.

Independence of External Auditors

The Committee's policy on the provision of non-audit services by the external auditors is that, whilst it is appropriate and cost effective for the external auditors to provide tax compliance and tax planning services to the Group, other services should only be provided where alternative providers do not exist or where it is cost effective or in the Group's interest for the external auditors to provide such services. In all cases the provision of non-audit services is carefully monitored by, and subject to the prior approval of, the Committee. The external auditors would not be invited to provide any non-audit

CORPORATE GOVERNANCE STATEMENT

services where it was felt that this could conflict with their independence or objectivity. Such services would include the provision of internal audit and management consulting services. The policy exists to ensure that the external auditor does not audit its own work, participate in activities that would normally be undertaken by management, have a mutuality of financial interests with the Group or act in an advocacy role to the Group.

As outlined on page 36, in 2013 PwC were asked to carry out a peer market review of the remuneration policies and levels in operation in Datalex. The Audit Committee was first asked to review the appropriateness of the PwC appointment, given the fact that they also serve as Datalex auditors. The Audit Committee found that, on the basis that PwC had quite recently issued a report on current remuneration practices at Irish quoted companies, and that the scale and terms of the engagement was unlikely to result in any impact on the auditor's independence, they were satisfied that the appointment of PwC was appropriate.

The external auditor also provides some tax advisory services to the Company. The Audit Committee believes that given the nature and scale of these services, they do not result in any impact on the auditor's objectivity and independence. In particular, the Committee is satisfied that the external auditor has not participated in management activities, placed themselves in a situation where they have a mutuality of interest with the Group, review their own work or act in an advocacy role.

The Committee has noted recent European legislative developments and will evaluate the impact when the legislation is enacted which is expected later in 2014. PwC have been the Group's auditors since 2004 when the external audit service was last subject to a tender.

NOMINATIONS COMMITTEE

The Nominations Committee met once during the year and at 31 December 2013, comprised Paschal Taggart (Chairman), John Bateson, Peter Lennon and Roger Conan. All Committee members attended the meeting.

The Nominations Committee assists the Board in discharging its responsibilities relating to the composition of the Board. The Nominations Committee is responsible for reviewing, identifying and recommending suitable candidates for appointment as directors. The terms of reference of the Nominations Committee, including its role and the authority delegated to it by the Board, and the standard letter of terms and conditions of appointment to the Board, are available on demand from the Company Secretary. The Committee ensures that prior to the appointment of any new director the candidate has sufficient available time to discharge their duties as a director. Prior to the appointment of directors, the Committee evaluates the balance of skill, knowledge, experience and diversity of the Board, and in light of this evaluation, prepares a description of the roles and capabilities required for the appointments. To facilitate the search for suitable candidates, the Committee may use the services of external consultants.

As a global business, the Group recognises the importance and benefit of ensuring diversity throughout the organisation. 21 nationalities are represented within our workforce of 177, and we strive to ensure that our culture promotes and respects everyone, irrespective of nationality or gender. Women currently make up 23% of our total employees, and 23% of senior management (top two levels). In particular, the Board and management will continue to ensure that all possible steps are taken to promote and develop women in the workplace.

The Board of Datalex plc also recognises the benefits of having a diversity of backgrounds and skill sets at Board level, and all Board appointments

are made on merit, with due regard to diversity criteria. On an annual basis the Nominations Committee reviews the size, structure and composition of the Board, and makes recommendations to the Board with regard to any changes required.

In early 2013 the Nominations Committee began the process of identifying a suitable additional Non-Executive Director to supplement the current Board, with a specific emphasis on software expertise. Early on in the process the Board identified an extremely well qualified candidate, and on 21 June 2013, Mr. Garry Lyons, the Chief Innovation Officer of Mastercard Labs Worldwide was appointed to the Board of Datalex as a Non-Executive Director. As outlined on page 20, Mr. Lyons brings a wealth of software experience to the Board, and the Board believes that Mr. Lyons will make an invaluable contribution during this period of growth for the company.

Given the calibre of the appointee, and the fact that he was identified early in the process, the Nominations Committee did not require the services of an external search consultancy in filling the role.

REMUNERATION COMMITTEE

The Remuneration Committee met three times during the year and, at 31 December 2013, comprised Peter Lennon (Chairman), John Bateson, Paschal Taggart and Roger Conan. All Committee members attended the meeting, with the exception of John Bateson, who by prior arrangement was absent from one meeting.

The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Group's policy on executive remuneration, determining the remuneration and benefits of the Executive Directors and recommending and monitoring the remuneration of senior management below Board

CORPORATE GOVERNANCE STATEMENT

level. As evidenced by the Board member biographies on pages 20 and 21, the Committee, both individually and collectively, possess significant experience and expertise in remuneration matters across a range of companies and industries. The terms of reference of the Remuneration Committee, including its role and the authority delegated to it by the Board, are available on demand from the Company Secretary.

The company's remuneration policy is designed to perform in the long term interests of shareholders. The Committee has followed the provisions of the UK Corporate Governance Code and the Irish Annex relating to the design of performance related remuneration. The Chairman of the Board is a member of the Committee, as he met the independence criteria on his appointment. The Chairman absents himself from discussion around his own

remuneration. The Committee meets all other criteria outlined in the Code. The terms of reference of the Remuneration Committee are available from the Company Secretary.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Attendance at Board and committee meetings during the year ended 31 December 2013 is set out below:

Name	Appointed	Board		Audit Committee		Remuneration Committee		Nomination Committee	
		A	B	A	B	A	B	A	B
John Bateson	2006	11	11	6	6	3	2	1	1
Roger Conan	2011	11	11	6	6	3	3	1	1
David Kennedy	2008	11	11	-	-	-	-	-	-
Peter Lennon	1993	11	10	6	5	3	3	1	1
Paschal Taggart	2001	11	11	-	-	3	3	1	1
Aidan Brogan	2012	11	11	-	-	-	-	-	-
Garry Lyons*	2013	6	6	-	-	-	-	-	-

* Garry Lyons was appointed to the Board on 21 June 2013.

Column A details the number of Board / committee meetings held during the year in the period that the director was a member of the Board and/or Committee.

Column B details the number of meetings attended during the year in the period that the director was a member of the Board and/or Committee.

EXECUTIVE MANAGEMENT TEAM

The Chief Executive Officer, the Finance Director and other senior management make up the Executive Management team, which has responsibility for assisting the Board in discharging its responsibilities, including the implementation of strategy, allocation of resources and the control of expenditure.

ACCOUNTABILITY AND AUDIT

The directors' responsibility for preparing the financial statements is explained in the Statement of Directors' Responsibilities and the auditors' responsibilities are set out in the Independent Auditors' Report.

The Board is responsible by law for keeping proper accounting records, which disclose at any time the financial position of the Company and the Group. The Board is also responsible for overall management of the Company and the Group including strategy, policy and reporting. In discharging these mandates the Board pays particular attention to economic issues, marketing strategy, investment programmes, financial performance and personnel matters.

INTERNAL CONTROLS

The directors have overall responsibility for the Group's systems of internal control and risk management. The directors have delegated responsibility

for designing, operating and monitoring these control systems to executive management, while retaining overall responsibility for reviewing their effectiveness. These systems include financial controls which enable the Board to meet its responsibilities for the integrity and accuracy of the Group's accounting records, operational controls in each functional area of the Group, and an assessment of general business risks. The Audit Committee, a formally constituted committee of the Board, meets on a regular basis and satisfies itself as to the adequacy of the Group's internal control and risk systems.

The main features of the Group's systems of internal controls and risk management are as follows:

CORPORATE GOVERNANCE STATEMENT

- Key risks, with reference to achievement of the Group's business objectives are assessed and revised on a bi-annual basis. The Audit Committee periodically reviews the company's overall risk environment, with respect to both risks to the achievement of the company's business objectives, and risks to the integrity and effectiveness of the company's key systems and processes. In particular, the Committee recognises the challenges that the current levels of growth in the customer base can bring, and pays particular attention to areas such as the availability of key domain resources and skills, the performance and integrity of critical infrastructure in our Hosting Centre, and control over the company's cost base. The Committee also recognises the competitive dynamics of our market, and closely monitors any changes in pricing or product offerings that may impact on our ability to continue to win new business and retain existing customers. Any mitigating actions required are monitored and reported to the Audit Committee on a periodic basis. A summary of the key risks, together with mitigating actions, is set out on pages 16 to 18.
- There is a comprehensive annual planning and budgeting system in place, cascading from the group's three year strategic plan, which itself was comprehensively updated and revised in Q4 2013. Progress against the annual plan is assessed on a monthly basis by management and the Board through detailed financial performance reporting, and short / medium term forecasts are prepared through which the three year strategic plan is continuously updated;

- A detailed assessment of the operation of the Group's internal financial control environment is carried out each year. In Q4 2013 the Audit Committee conducted a detailed review of the Group's internal financial control environment;
- The Group has written procedures and authority limits for all operating and capital expenditure,
- There is a comprehensive control process in place in relation to management of the integrity of the company's software development process;
- The Group has a clearly defined policy and procedure for the evaluation, negotiation and sign-off of new business proposals and contracts.

FINANCIAL REPORTING PROCESS

In addition to the general internal control and risk management framework set out above, the following controls exist in relation to the financial reporting process:

- The Group's financial reporting system has been designed and implemented to ensure consistency and visibility of management information, which provides a sound basis for management and Board reviews of performance;
- the Consolidated Financial Statements are prepared by the central finance team in Dublin;
- uniform Group accounting policies are applied in the Company and each subsidiary;
- standard software is used to carry out the accounting processes for the preparation of the individual financial statements as well as for the consolidated financial statements;

- an annual self-certification process requiring confirmation that the system of internal control is operating effectively is in place;
- the consolidated financial information is reconciled to the underlying financial systems;
- a review of the consolidated financial information is undertaken by management to ensure that the true position and results of the Group are reflected;
- the Group prepares detailed monthly financial and operational performance reports, together with rolling quarterly revenue and cash forecasts;
- the Board reviews actual performance against budget on a monthly basis;
- the Chief Executive Officer and Finance Director carry out periodic business performance reviews; and
- the Finance Director regularly reviews the expertise and resource levels of the finance function.

The Audit Committee also meets with, and receives reports from, the external auditors. The Group's system of internal control is designed to manage, rather than eliminate, risk of failure to achieve business objectives and therefore provide reasonable, though not absolute, assurance that assets are safeguarded, transactions are authorised and recorded properly, and that material errors or irregularities are either prevented or detected within a timely period.

The directors have performed an annual review of the effectiveness of the Group's systems of internal control for the year ended 31 December 2013, and up to and including the date of approval of the financial statements. There were no significant failings or weaknesses identified by the review of the effectiveness of the systems of

CORPORATE GOVERNANCE STATEMENT

internal control. The Group has in place procedures to identify, evaluate and manage significant risks in accordance with the Code. These procedures were in place for the full year under review, and up to and including the date of approval of the financial statements. The process is subject to review by the Board.

The key procedures established by the directors, with a view to reviewing the effectiveness of the internal control environment, include the following:

- the organisation structure has clearly defined lines of authority;
- there is a formal schedule of matters reserved for the Board, as outlined in the company's Board Control Manual;
- a comprehensive system of financial reporting involving periodic reporting, budgeting and variance analysis and forecasting, of all business units;
- an Audit Committee, made up of independent Non-Executive Directors which reviews key control matters;
- there are policies and procedures in relation to key financial controls, capital expenditure, operational risk and treasury and credit risk management;
- all investment decisions are subject to formal levels of authorisation and approval; and
- where professional expertise is necessary, professional advisors are engaged.

The Group has also put in place a system of identifying and reporting on risks and associated controls. The Board has reviewed the outputs from this process during the year and adopted the risks and controls as appropriate for monitoring and reporting. The Board has also reviewed the risks identified to ensure they are still relevant for monitoring.

The Group does not have an internal audit function. The Board has considered the need for one as required by the UK Corporate Governance Code but has decided that it is not warranted given the size and complexity of the group at this time. The Board will continue to re-evaluate this position on an annual basis. As outlined on page 30, members of the Audit Committee periodically examine the operation of key accounting processes in the business and report back to the Committee.

COMMUNICATIONS WITH SHAREHOLDERS

Communications with shareholders are given high priority and there is regular dialogue with individual shareholders, as well as general presentations at the time of the release of the annual and interim results. In addition two interim management statements are issued to the market during the year, in accordance with the requirements under the EU Directive 2004/109/EC (the 'Transparency Directive'). The Group's website www.datalex.com provides the full text of the annual and interim reports, interim management statements and any stock exchange announcements.

The company's AGM affords shareholders the opportunity to question the Chairman and the Board. A description of the rights of shareholders is set out in Note 9 to these financial statements. Periodically, the Chief Executive Officer and Finance Director meet with shareholders and any feedback from these meetings is circulated to the Board to ensure the Non-Executive Directors have a full understanding of the views of shareholders. The Senior Independent Director is available to shareholders if contact through normal channels is inappropriate, or has failed to resolve concerns.

SHAREHOLDERS' RIGHTS AT SHAREHOLDER MEETINGS AND THE EXERCISE OF SUCH RIGHTS

Only those shareholders registered on the Company's register of members at the prescribed record date, being a date not more than 48 hours before the general meeting to which it relates, are entitled to attend and vote at a general meeting. The Irish Companies Acts 1963 to 2013 ("the Acts") require that resolutions of the general meeting be passed by the majority of votes cast (ordinary resolution) unless the Acts or the Company's Articles of Association provide for 75% majority of votes cast (special resolution). The Company's Articles of Association provide that the Chairman has a casting vote in the event of a tie. A member entitled to attend, speak and vote at a general meeting is entitled to appoint a proxy to attend, speak and vote on his behalf. A proxy need not be a member of the Company.

CORPORATE GOVERNANCE STATEMENT

Under the Acts, the Company must answer any question a member asks relating to the business being dealt with at the general meeting unless: (i) answering the question would interfere unduly with the preparation for the general meeting or the confidentiality and business interests of the Company; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it appears to the Chairman of the meeting that it is undesirable in the interests of good order of the meeting that the question be answered.

POWERS OF THE SHAREHOLDER MEETING

The business of the Company is managed by the directors who may exercise all the powers of the Company as are not by the Acts or by the Articles required to be exercised by the Company in general meeting. Matters reserved by the Acts to the shareholders in general meeting include:

- election of directors;
- payment of dividends;
- appointment of external auditors;
- amendments of the Articles of Association;
- measures to increase or reduce the share capital; and
- authority to issue shares.

COMPLIANCE STATEMENT

The Group has applied the principles and provisions of the UK Code and the Irish Annex throughout the year ended 31 December 2013, with the following exceptions:

- The Group does not have an internal audit function. The Board has considered the need for one as required by the Code but has decided that it is not warranted at this time, given the size and complexity of the Group. The Board will continue to periodically review this position;
- The Chairman, Paschal Taggart, is a member of the Remuneration Committee. The Code states that all members of this Committee be independent but the Code does not consider the position of the Chairman to be independent. The Board has considered this and wants to take advantage of the Chairman's skills and experience in this area; and
- Aidan Brogan, Executive Director, was granted participation in the company's Joint Share Ownership Plan in January 2012, which provides for a vesting period over two years, (refer to Remuneration Report). The 2012 performance conditions were not achieved, and the 2012 element has been carried forward, and vesting will be subject to meeting FY 2014 targets. This award was made prior to Mr. Brogan's appointment as a director and Chief Executive Officer of the Company.

On Behalf of the Board



Aidan Brogan

24 March 2014



Paschal Taggart

REMUNERATION REPORT

INTRODUCTION

This report deals with Directors' remuneration for the year ended 31 December 2013. This report is divided into two parts. Part I of this report contains unaudited information and Part II contains audited information.

PART I – THIS PART OF THE REMUNERATION REPORT IS UNAUDITED

REMUNERATION POLICY

The Group's policy in respect of the remuneration of Executive Directors is to provide remuneration packages, including variable elements such as performance related bonuses which attract, retain, motivate and reward, the executives concerned and, by ensuring strong links between performance and reward, which encourage them to enhance the Group's performance. In considering such packages, cognisance is taken of: the levels of remuneration for comparable positions; the responsibilities of the individual concerned; their individual performances against specific and challenging objectives; and overall Group performance. Share options are granted to employees on the basis of their responsibilities and, where relevant, their past performance. Share options granted under the 2012 Plan, which was approved by shareholders on 6 February 2012, provide for a minimum vesting period of three years from the date of grant, and vesting is subject to the achievement of Board approved performance targets (see Note 9).

REMUNERATION COMMITTEE

The Remuneration Committee comprises Peter Lennon as Chairman, John Bateson, Paschal Taggart and Roger Conan. As evidenced by the Board member biographies on page 20, the Committee, both individually and collectively, possess significant experience and expertise in remuneration matters across a range of companies and industries. None of the Committee members

have any financial interest other than as shareholders, in the matters to be decided by the Committee and no potential conflicts of interests arising from cross-directorship. The Committee has responsibility for determining, within agreed terms of reference, the Group's policy on compensation of directors and senior executives, and making recommendations to the Board on the remuneration of directors and senior executives.

REMUNERATION REVIEW

In 2013 PwC, at the request of the Remuneration Committee, conducted a peer market review of the remuneration policies and levels in place in the company. The review findings reflected the fact that the business operates in a highly skilled sector in which competition for qualified resources can be intense. While the report found that the company was broadly in line with market conditions, PwC have made a number of suggested enhancements to ensure that the remuneration approach continues to reflect the company's needs in a period of high growth.

In accordance with the requirements of the 2012 UK Corporate Governance Code, the Datalex Audit Committee was first asked to review the appropriateness of the PwC appointment, given the fact that they also serve as Datalex auditors. The Audit Committee found that, on the basis that PwC had quite recently issued a report on current remuneration practices at Irish quoted companies, and that the scale and terms of the engagement was unlikely to result in any impact on the auditor's independence, they were satisfied that the appointment of PwC was appropriate.

EXECUTIVE DIRECTORS

Aidan Brogan and David Kennedy are the only Executive Directors and both are subject to a service contract. These contracts have no fixed term and may be terminated by either party giving six months' notice. The current basic annual salary payable under these contracts is €285,000 (2012: €285,000) and €175,000 (2012: €175,000) respectively. Annual performance related bonuses may also be determined by the Remuneration Committee. These contracts also allow for a 7.5% contribution of basic salary into a pension, permanent health and life assurance schemes. These arrangements are subject to continuous review by the Remuneration Committee. During the year both of the Executive Directors agreed to waive their directors' fees of €48,000.

NON-EXECUTIVE DIRECTORS

The company agreed with its Non-Executive Directors to pay each Non-Executive Director US\$60,000 per annum (2012: US\$60,000) in respect of their services as Directors. The Chairman is paid an annual fee of US\$120,000 per annum (2012: US\$120,000). Non-Executive Directors' fees of US\$110,328 (2012: US\$37,735) were accrued at the year end.

SHARE PERFORMANCE

The price range during the period from 1 January 2013 to 31 December 2013 was €0.77 to €1.20.

REMUNERATION REPORT

PART II - THIS PART OF THE REMUNERATION REPORT IS AUDITED. THE INFORMATION BELOW FORMS PART OF THE AUDITED FINANCIAL STATEMENTS AS DESCRIBED IN THE BASIS OF PREPARATION IN NOTE 2.1.

REMUNERATION OF DIRECTORS

The following table sets out the remuneration of the directors during their period on the Board in 2013:

Directors	Basic salary & fees inc performance bonus	Other Benefits	Pension Contributions	Share Awards Charge	2013 Total	2012 Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
John Bateson	60	-	-	-	60	53
David Kennedy	255	18	12	62	347	296
Roger Conan	60	-	-	-	60	53
Peter Lennon	60	-	-	-	60	53
Paschal Taggart	120	-	-	-	120	106
Aidan Brogan	321	19	24	151	515	254
Garry Lyons	32	-	-	-	32	-
Simon Calver	-	-	-	-	-	17
Cormac Whelan (resigned 25 June 2012)	-	-	-	-	-	263
Total	908	37	36	213	1,194	1,095

BONUS

Executive Directors participate in an annual performance incentive scheme based on a combination of individual objectives and company performance targets for Adjusted EBITDA and cash. For the year ended 31 December 2013, Aidan Brogan was paid a bonus of €Nil (2012: €Nil) and David Kennedy was paid a bonus of €17,802 (2012: €20,500).

PENSIONS

Pensions for Executive Directors are provided under a defined contribution pension scheme. The total contributions payable for the Executive Directors under the scheme for the year ended 31 December 2013 were US\$36,000 (2012: US\$25,000).

The total contributions accrued for Aidan Brogan and David Kennedy under the scheme at the year ended

31 December 2013 were US\$Nil (2012: US\$Nil) and US\$Nil (2012: US\$Nil).

DIRECTORS' INTERESTS IN SHARE OPTIONS

The following table sets out the total share options held by each director during the year. Further details regarding the terms of the share option scheme are set out in Note 9 to these financial statements.

	At 1 January 2013	Granted during the year	Exercised during the year	Expired during the year	At 31 December 2013	Exercise Price range	Date From which exercisable	Expiry Date
David Kennedy	1,077,000	-	-	-	1,077,000	€0.48- €0.54	2009 / 2016	2019 / 2022
Aidan Brogan	309,620	1,000,000	6,403	3,217	1,300,000	€0.13 - €0.84	2004 / 2016	2013 / 2023

REMUNERATION REPORT

In January 2012, Aidan Brogan (in the role of SVP Sales at the time) was granted 260,000 shares under the Joint Share Ownership Plan below, which provides for a vesting period over two years. The Board acknowledges that this award was made before Aidan Brogan was appointed as Chief Executive Officer and as a director of the Company.

In December 2013, Aidan Brogan exercised 6,403 share options issued at a price of €0.53.

Cormac Whelan, who left office on 25 June 2012, exercised 660,000 share options in March 2013.

2012 SHARE OPTION PLAN

The Datalex Share Option Plan 2012 was approved by shareholders on 6 February 2012. Under the Rules of the 2012 Plan, options will not normally be exercisable until three years after the date of grant and vesting is subject to the achievement of challenging annual performance targets as determined by the Remuneration Committee. Options granted under the 2012 Plan have an exercise price equal to the then prevailing market price for a Datalex ordinary share. Under the Rules of the 2012 Plan, if performance conditions are not met, the options will not vest and will lapse.

Each option award currently outstanding under the 2012 Plan had been granted subject to performance conditions relating to the achievement by the Group of EBITDA, cash performance targets and other non market measures of shareholder value, as established by the Remuneration Committee, in FY 2013, FY 2014 and FY 2015, with each conditions applicable to one third, respectively, of the number of options subject to the award. The performance conditions applicable to FY 2013 were narrowly missed.

Having regard to the Group's significant achievements in FY 2013 in delivering increased shareholder value, including:

- 26% growth in the Group's Adjusted EBITDA;
- 15% increase in the Group's cash reserves;
- 50% increase in the Company's share price;
- 41% growth in the Company's earnings per share;
- the proposal by the Company of a first dividend; and
- the Group's significant new customer wins, including jetBlue and Virgin Atlantic, which set a strong foundation for the Group's growth strategy;

and taking into account the importance of ensuring the retention and motivation of the Group's key employees as the Group moves to implement its growth strategy, while recognising that the 2012 Plan represents the sole method currently available to the Company for the incentivisation by equity participation of the Group's employees, the Board, on the recommendation of the Remuneration Committee, intends to seek shareholder authorisation at the forthcoming Annual General Meeting to declare that the FY 2013 performance condition applicable to the exercise of any option outstanding under the Option Plan be deemed to have been satisfied.

The performance conditions relating to FY 2014 and FY 2015 will remain applicable to the exercise of any option outstanding under the Option Plan. These performance conditions relate to EBITDA, cash targets and other non market measures of shareholder value for the Group, as established by the Remuneration Committee. If these performance conditions are not met, the options will not vest and will lapse. The conditions may be varied in certain

circumstances following the grant of an option so as to achieve their original purpose, but not so as to make their achievement materially any more or less difficult.

The Board believes that this course of action is both equitable and necessary to retain and motivate key staff as the Group moves to deliver on its growth plans. No share option may be exercised in any event until the third anniversary of its grant (outside of death or other exceptional circumstances). The Board and the Remuneration Committee believe that equity participation among all employees is important to the achievement of the Group's business goals.

JOINT SHARE OWNERSHIP PLAN

The Board approved the establishment of the Datalex Joint Share Ownership Plan in January 2012. The Plan is intended to incentivise senior management in the Company (excluding Executive Directors) towards the achievement of challenging EBITDA and cash performance targets, as established by the Remuneration Committee.

Participants' interests acquired under the Plan take the form of restricted interests ("Interests") in ordinary shares of the Company ("Plan Shares"), with Interests acquired under the Plan being subject to time-based (continuous service) and performance-based conditions to vesting. Key members of the Group's senior management (excluding the Executive Directors) acquired Interests under the Plan in January 2012. Under the Plan, these participants and an Employee Benefit Trust administered by independent professional trustees jointly acquired 1.56m existing shares at the open market price (then €0.36 per share). No further Interests may be acquired under the Plan.

REMUNERATION REPORT

In accordance with the Rules of the Plan, vesting of the participants' Interests was conditional on achievement of performance conditions relating to EBITDA and cash targets for the Group, as established by the Remuneration Committee, in the financial years ended 31 December 2013 (as to one half of the Interests) and 31 December 2014 (as to the other half) and on the first and second anniversary of the acquisition date, respectively. Having regard to the Group's significant achievements in the 2013 financial year in delivering increased shareholder value, and notwithstanding that the 2013 performance conditions were narrowly missed, the Board has determined, in accordance with the Rules of the Plan, that the first half of the participants' Interests have vested. The other half of the Interests remain subject to a condition relating to EBITDA and cash targets for the Group for the financial year 31 December 2014.

When an Interest vests, the trustees of the Employee Benefit Trust may, at the request of the participant transfer Ordinary Shares to the participant of equal value to the participant's Interest or the Plan Shares may be sold by the trustees who will account to the participant for the difference between the sales proceeds less expenses and the Employee Benefit Trust's interest in the Plan Shares.

On Behalf of the Remuneration Committee



Peter Lennon

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DATALEX PLC

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, of the state of the Group's affairs as at 31 December 2013 and of its profit and cash flows for the year then ended;
- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Acts 1963 to 2013, of the state of the Company's affairs as at 31 December 2013 and of its cash flows for the year then ended; and
- the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

This opinion is to be read in the context of what we say in the remainder of this report.

WHAT WE HAVE AUDITED

The Group financial statements and Company financial statements (the "financial statements"), which are prepared by Datalex plc, comprise:

- the Consolidated and Company Balance Sheets as at 31 December 2013;
- the Consolidated Income Statement and Statement of Comprehensive Income for the year then ended;
- the Consolidated and Company Statements of Changes in Equity and Statements of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises Irish law and IFRSs as adopted by the European Union and, as regards the Company, as applied in accordance with the provisions of the Companies Acts 1963 to 2013.

Certain disclosures required by the financial reporting framework have been presented elsewhere in the Annual Report rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DATALEX PLC

OVERVIEW OF OUR AUDIT APPROACH

Materiality

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Group financial statements as a whole to be US\$188,000.

In arriving at this judgement we have had regard to the earnings before share-based payment expense, net finance costs, income tax expense, depreciation and amortisation (Adjusted EBITDA). Based on our professional judgement we consider Adjusted EBITDA to be the appropriate benchmark as it is the most appropriate measure of recurring performance of the Group. Materiality represents approximately 2.5% of adjusted EBITDA.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US\$9,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of our audit

The Group is structured into two business segments being "E-business" and "TPF Consulting". The Group financial statements are a consolidation of five reporting units, comprising the group's reporting units for the E-business segment which are located in Ireland, the United States of America and the United Kingdom and the TPF Consulting segment which is centralised in the Netherlands and the centralised Group function which is performed and managed in Ireland.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed at reporting units by us.

All five reporting units were in scope for an audit of their complete financial information.

Areas of particular audit focus

In preparing the financial statements, the directors made a number of subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We primarily focused our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

We considered the following areas to be those that required particular focus in the current year. This is not a complete list of all risks or areas of focus identified by our audit. We discussed these areas of focus with the Audit Committee. Their report on those matters that they considered to be significant issues in relation to the financial statements is set out on page 30.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DATALEX PLC

AREA OF FOCUS	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE AREA OF FOCUS
<p>Revenue Recognition</p> <p>As set out in the revenue recognition accounting policy, the timing of the recognition of revenue in respect of fixed fee professional services is calculated using the percentage or stage of completion method. This requires the exercise of significant judgement in the assessment of the extent of progress towards completion which is estimated by reference to labour hours incurred to date as a % of the total expected labour hours for each project.</p> <p>We focused on the quantum and timing of professional service revenue recognition including the appropriateness of accrued income at the year end, due to the level of estimation involved and the significant level of unbilled professional services revenue at year end.</p> <p>In addition, ISAs (UK & Ireland) presume there is a risk of fraud in revenue recognition because of the pressure management may feel to achieve the planned results.</p> <p>We also focused on transaction revenue as it is a key performance indicator used by the company and reported separately.</p>	<p>We identified key service projects for testing based on size, complexity, risk and balance sheet amount, including the quantum of accrued income at year end.</p> <p>We tested the quantum and timing of professional service revenue recognition, and in particular considered whether the Group appropriately recorded professional service revenue by reference to the stage of completion in respect of projects which were in progress at year-end. We tested the project status by reference to the agreed written arrangements, the Group's time recording system and operational budgets for these projects. Where the work performed was not under a formal contractual arrangement, we examined other written evidence of the arrangement including works orders, project documentation and other correspondence.</p> <p>We challenged management's assumptions in respect of total estimated revenues and costs by reviewing historical performance to date and assessing the current status of negotiations with relevant customers.</p> <p>For one customer with a number of large and complex projects in progress, we obtained direct external customer confirmation as to the stage of the projects' status and the key elements of the arrangement.</p> <p>For transaction revenue, we tested the actual number of transactions against information provided by the Group's own systems or customers depending on whether they relate to hosted and non hosted customers, respectively. Where the information was sourced from the Group's internal IT systems, we have used IT specialists in order to test the accuracy and completeness of the transaction information supporting the recognised transaction revenue.</p> <p>We also tested manual revenue journal entries focusing on unusual or irregular items.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DATALEX PLC

AREA OF FOCUS	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE AREA OF FOCUS
<p>Capitalisation of development costs</p> <p>We focused on this area due to the complexity of the recording system, the significance of the amount in the context of the financial statements and the required judgements around the capitalisation of directly attributable management and supervisory time, bug fixing (rebasement and republishing) and an appropriate portion of the relevant overheads.</p>	<p>We tested the hours and costs charged to individual capital projects by the qualifying personnel against the Group's time recording system.</p> <p>We independently met with the Research & Development department staff to develop an understanding of the projects, the relevant status and phases, and their commercial and technical feasibility. We also challenged the judgements applied by management underpinning certain elements of the calculations by checking consistency with historic data. We performed sensitivity analysis on the assumptions relating to capitalisation of directly attributable management and supervisory time, bug fixing (rebasement and republishing) and an appropriate portion of the relevant overheads.</p>
<p>Recoverability of deferred tax assets</p> <p>The Group has recognised a net deferred tax asset of US\$1.07m and has unrecognised deferred tax assets of US\$31m. We focused on this area because of the significant level of judgement by the directors in determining the quantum of carried forward tax losses and other tax credits which will be utilised in future periods, and therefore should be recognised as deferred tax assets.</p>	<p>We evaluated the Group's profit forecasts underlying the recognition of tax losses included in the deferred tax asset balance, including comparing them to Board approved budgets. We challenged the assumptions underpinning the recognised asset by reference to the current and prior years levels of profitability.</p>
<p>Risk of management override of internal controls</p> <p>ISAs (UK & Ireland) require that we consider this.</p>	<p>We assessed the overall control environment of the Group, including the arrangements for the staff to "whistle blow" inappropriate actions, and interviewed senior management and Non-Executive Directors.</p> <p>We examined the significant accounting estimates and judgements relevant to the financial statements for evidence of bias by the directors that may represent a risk of material misstatement due to fraud. We also tested manual journal entries.</p>

GOING CONCERN

Under the Listing Rules of the Irish Stock Exchange we are required to review the directors' statement in relation to going concern. We have nothing to report having performed our review.

As noted in the directors' statement, the directors have concluded that it is appropriate to prepare the Group's and Company's financial statements using the going concern basis of accounting. The going concern basis presumes that the Group and Company have adequate

resources to remain in operation, and that the directors intend them to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Matters on which we are required to report by the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the Company.
- The Company Balance Sheet is in agreement with the books of account.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DATALEX PLC

■ In our opinion the information given in the Directors' Report is consistent with the financial statements and the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the process for preparing the Group financial statements is consistent with the Group financial statements.

■ The net assets of the Company, as stated in the Company Balance Sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2013 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

Matters on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Acts 1963 to 2013 we are required to report to you if, in our opinion, the disclosure of directors' remuneration and transactions specified by law have not been made, and under the Listing Rules of the Irish Stock Exchange we are required to review the six specified elements of disclosures in the report to shareholders by the Board on directors' remuneration. We have nothing to report arising from these responsibilities.

Corporate Governance Statement

Under the Listing Rules of the Irish Stock Exchange we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with nine provisions of the UK Corporate Governance Code ('the Code') and the two provisions of the Irish Corporate Governance Annex specified for our review. We have nothing to report having performed our review.

On page 25 of the Annual Report, as required by the Code Provision C.1.1, the directors state that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's performance, business model and strategy.

On pages 30 and 31, as required by C.3.8 of the Code, the Audit Committee has set out the significant issues that it considered in relation to the financial statements, and how they were addressed. Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- the statement given by the directors is materially inconsistent with our knowledge of the Group acquired in the course of performing our audit; or
- the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under ISAs (UK & Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Company acquired in the course of performing our audit; or
- is otherwise misleading.

We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 25, the directors are responsible for the preparation of the Group and Company financial statements giving a true and fair view.

Our responsibility is to audit and express an opinion on the Group and Company financial statements in accordance with Irish law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, 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.

Damian Byrne
for and on behalf of
PricewaterhouseCoopers
Chartered Accountants and Statutory
Audit Firm
Dublin

24 March 2014



CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013 US\$'000	2012 US\$'000
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	4	1,403	1,674
Intangible assets	5	12,442	13,821
Deferred income tax assets	18	1,066	840
Total non-current assets		14,911	16,335
<i>Current Assets</i>			
Trade and other receivables	7	10,826	7,917
Financial assets - Forward contracts	25	-	145
Cash and cash equivalents	8	16,878	14,628
Total current assets		27,704	22,690
TOTAL ASSETS		42,615	39,025
EQUITY			
<i>Capital and reserves attributable to the equity holders of the Company</i>			
Ordinary share capital	9	7,413	7,222
Other equity share capital	9	262	262
Other reserves	10	2,763	1,624
Retained earnings		23,479	21,879
TOTAL EQUITY		33,917	30,987
LIABILITIES			
<i>Non-Current Liabilities</i>			
Borrowings	12	336	513
Total non-current liabilities		336	513
<i>Current liabilities</i>			
Trade and other payables	11	7,753	6,817
Borrowings	12	555	708
Current income tax liabilities		54	-
Total current liabilities		8,362	7,525
TOTAL EQUITY AND LIABILITIES		42,615	39,025

The accompanying notes form an integral part of these financial statements.

On Behalf of the Board



Aidan Brogan

24 March 2014



Paschal Taggart

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 US\$'000	2012 US\$'000
Revenue	13	38,074	32,350
Cost of sales	14	(31,049)	(26,722)
GROSS PROFIT		7,025	5,628
Selling and marketing costs	14	(2,734)	(2,844)
Administrative expenses	14	(3,009)	(2,782)
Other gains	15	236	355
OPERATING PROFIT		1,518	357
Finance income	17	85	57
Finance costs	17	(74)	(94)
PROFIT BEFORE INCOME TAX		1,529	320
Income tax credit	18	71	801
PROFIT FOR THE YEAR		1,600	1,121
PROFIT PER SHARE (in US\$ cents per share)			
Basic	19	2.24	1.59
Diluted	19	2.12	1.50

The accompanying notes form an integral part of these financial statements.

On Behalf of the Board



Aidan Brogan

24 March 2014



Paschal Taggart

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

Notes	2013 US\$'000	2012 US\$'000
Profit for the financial year	1,600	1,121
Other comprehensive income:		
Items that may subsequently be reclassified to profit or loss		
Foreign currency translation adjustments:		
- Arising in the year	19	1
	19	1
Items which will not be subsequently be reclassified to profit or loss	-	-
Comprehensive income and expense for the financial year	1,619	1,122

The accompanying notes form an integral part of these financial statements.

On Behalf of the Board



Aidan Brogan

24 March 2014



Paschal Taggart

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Equity share capital	Other equity share capital	Other reserves	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2012	7,171	262	187,748	(166,011)	29,170
Profit for the year	-	-	-	1,121	1,121
Other comprehensive income	-	-	1	-	1
Total comprehensive income for the year	-	-	1	1,121	1,122
Share based schemes charge	-	-	207	-	207
Issue of ordinary shares on exercise of options	51	-	143	-	194
Share Capital reduction (Note 10) ⁽¹⁾	-	-	(186,769)	186,769	-
Proceeds from exercise of collateral on Datalex plc shares (Note 10)	-	-	1,017	-	1,017
Purchase of treasury shares (Note 9)	-	-	(723)	-	(723)
Balance at 31 December 2012	7,222	262	1,624	21,879	30,987
Balance at 1 January 2013	7,222	262	1,624	21,879	30,987
Profit for the year	-	-	-	1,600	1,600
Other comprehensive income	-	-	19	-	19
Total comprehensive income for the year	-	-	19	1,600	1,619
Share based schemes charge	-	-	650	-	650
Issue of ordinary shares on exercise of options	191	-	470	-	661
Balance at 31 December 2013	7,413	262	2,763	23,479	33,917

⁽¹⁾ The court approved capital reduction and its impact on retained earnings is explained in Note 10.

The accompanying notes form an integral part of these financial statements.

On Behalf of the Board



Aidan Brogan

24 March 2014



Paschal Taggart

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 US\$'000	2012 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	20	5,976	6,690
Income tax paid		(101)	(119)
NET CASH GENERATED FROM OPERATING ACTIVITIES		5,875	6,571
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(192)	(1,171)
Additions to Intangible assets	5	(3,202)	(4,173)
Interest received		85	57
NET CASH USED IN INVESTING ACTIVITIES		(3,309)	(5,287)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (including share premium)		661	194
Proceeds from exercise of collateral on Datalex plc shares	10	-	1,017
Purchase of treasury shares	9	-	(723)
(Decrease) / increase in finance lease liabilities		(801)	253
Interest paid		(74)	(94)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES		(214)	647
Net increase in cash and cash equivalents		2,352	1,931
Foreign Exchange (loss)/profit on cash and cash equivalents		(102)	160
Cash and cash equivalents at beginning of year		14,628	12,537
CASH AND CASH EQUIVALENTS AT END OF YEAR		16,878	14,628

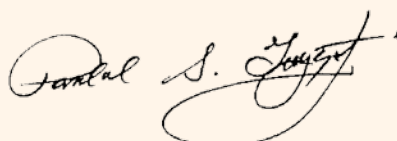
The accompanying notes form an integral part of these financial statements.

On Behalf of the Board



Aidan Brogan

24 March 2014



Paschal Taggart

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013 US\$'000	2012 US\$'000
ASSETS			
<i>Non current assets</i>			
Investments in subsidiaries	6	45,967	45,318
<i>Current Assets</i>			
Trade and other receivables	7	3,430	1,721
Cash and cash equivalents	8	69	1,129
		3,499	2,850
TOTAL ASSETS		49,466	48,168
EQUITY			
<i>Capital and reserves attribute to equity holders of the Company</i>			
Ordinary share capital	9	7,413	7,222
Other equity share capital	9	262	262
Other reserves	10	41,932	40,812
Retained deficit		(141)	(128)
TOTAL EQUITY		49,466	48,168

The accompanying notes form an integral part of these financial statements.

On Behalf of the Board



Aidan Brogan

24 March 2014



Paschal Taggart

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Equity share capital	Other equity share capital	Other reserves	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2012	7,171	262	359,776	(319,255)	47,954
Loss for the year	-	-	-	(187)	(187)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(187)	(187)
Issue of ordinary shares on exercise of options	51	-	143	-	194
Share Capital reduction	-	-	(319,314)	319,314	-
Share based schemes charge	-	-	207	-	207
Balance at 31 December 2012	7,222	262	40,812	(128)	48,168
Balance at 1 January 2013	7,222	262	40,812	(128)	48,168
Loss for the year	-	-	-	(13)	(13)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(13)	(13)
Issue of ordinary shares on exercise of options	191	-	470	-	661
Share based schemes charge	-	-	650	-	650
Balance at 31 December 2013	7,413	262	41,932	(141)	49,466


The accompanying notes form an integral part of these financial statements.

On Behalf of the Board



Aidan Brogan

24 March 2014



Paschal Taggart

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 US\$'000	2012 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	20	(1,721)	930
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES		(1,721)	930
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		661	194
NET CASH GENERATED FROM FINANCING ACTIVITIES		661	194
Net (decrease) / increase in cash and cash equivalents		(1,060)	1,124
Cash and cash equivalents at beginning of year		1,129	5
CASH AND CASH EQUIVALENTS AT END OF YEAR	8	69	1,129

The accompanying notes form an integral part of these financial statements.

On Behalf of the Board



Aidan Brogan

24 March 2014



Paschal Taggart

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1 – GENERAL INFORMATION

The principal activity of the Group is the development and sale of a variety of direct distribution software products and solutions to the travel industry.

The Company is a public limited company incorporated and domiciled in Ireland and is listed on the Irish Stock Exchange.

These Group and Company financial statements were authorised for issue by the Board of Directors on 24 March 2014.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRIC interpretations adopted by the European Union (EU) and with those parts of the Companies Act 1963 to 2013 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the measurement of the fair value of share options and derivative financial instruments.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

The notes to the financial statements include the information in the Remuneration Report that is described as being an integral part of the financial statements.

Going Concern

The Group meets its day-to-day working capital requirements through its cash reserves. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance and the Group's management of its principal risks and uncertainties, as described in the notes to these financial statements, show that the Group should be able to operate within the level of its current facilities and resources. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2.2 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings made up to the relevant year end. The subsidiary undertakings' financial periods are all coterminous with those of the Company. The Group has availed of the exemption under IFRS and has not applied IFRS 3 retrospectively to business combinations prior to the date of transition to IFRS.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

They are de-consolidated from the date that control ceases. All inter-company transactions and balances including unrealised gains on transactions between Group companies are eliminated in full.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

2.3 Revenue recognition

The Group's revenue consists primarily of revenues from the use of software products by our customers and delivery of services. Revenue comprises the fair value of the consideration received or receivable for the sale of products and services in the ordinary course of the Group's activities. Revenue is shown net of value-added-tax and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

(i) Transaction Revenue

Transaction revenue is earned from the charging of a fee per transaction, or per block of transactions, processed on the Group's Travel Distribution Platform software, subject to annual and monthly minimum volumes. A transaction includes air fare bookings, non-air ancillary items such as car, hotel and insurance bookings and air ancillary items such as seat fees or bag fees. Transaction based contracts are typically five years in duration. Revenues are recognised during the month the transaction takes place. Transaction revenue is invoiced monthly or quarterly in arrears in respect of transactions processed in the previous month or quarter.

Customer contracts may provide for a minimum level of transaction fee payments, which may be in excess of actual transactions processed in the initial periods of a contract. In this case, revenue is recognised based on the contractual minimum level of transactions applicable for the period under the relevant contractual terms, on a straight line basis.

Contracts may also include

- provision for a termination fee payable by the customer in the event that the contract is terminated by the customer for reasons of convenience before the solution goes live, or
- the right to begin charging minimum transaction fees in advance of go live, once the solution is production ready, at which point we begin recognising the revenue.

In situations where a customer terminates a contract before the end of the agreed term, the fair value of any remaining transaction minimum payment, contractually due is recognised at date of termination.

In some cases the Group also charges a monthly fee where a customer's software solution is hosted in-house by Datalex. The monthly fee is recognised based on the agreed fee for the applicable period per the relevant contractual arrangements in place.

(ii) Professional Services

Professional Services revenue is earned from fees charged to deploy the Group's software at new customers, and to deliver new functionality to existing customers. If the service is on a contracted time and material basis, then the revenue is recognised as and when the services are performed. If it is a fixed fee, then the services revenue is recognised by reference to the stage of completion accounting method. The Group measures percentage of completion based on labour hours incurred to date as a proportion of total hours allocated to the contract. If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in the period in which the circumstances that give rise to the revision become known by management.

(iii) TPF Consulting and associated revenue

The Group's consulting and associated revenue primarily consists of revenue generated from the Group's TPF consulting activities. TPF Consulting revenue is derived from fees contracted under service. Revenue related to consulting services performed by the Group are billed at the contracted hourly rate and is recognised as the services are performed.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management team. The Group has identified two reportable segments, E-business and TPF Consulting under IFRS 8.

2.5 Intangible assets

(a) Research and development expenditure

Research expenditure is recognised as an expense as incurred. Directly attributable costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- ii) management intends to complete the intangible asset and use or sell it;
- iii) there is an ability to use or sell the intangible asset;
- iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

Directly attributable costs that are capitalised include the software development employee costs, related management time and an appropriate portion of relevant overheads.

Development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight line basis over its useful life of three to five years.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are not yet available for use are tested annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(b) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to five years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2.6 Property, plant and equipment

Property, plant & equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset, on a straight-line basis over its expected useful life as follows:

Fixtures and fittings	5 years
Computer equipment	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Taxation

The Company is managed and controlled in the Republic of Ireland and, consequently, is tax resident in Ireland.

Current tax is calculated on the profits of the period. Current tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax is recognised in other comprehensive income or directly in equity, if the tax relates to items that are credited or charged, in the same or a different period, in other comprehensive income or directly in equity.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses and credits can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.8 Government grants

Grants including research and development tax credits from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all the conditions attaching to them.

Government grants including research and development tax credits are deducted in arriving at the carrying amount of the related asset. The grants and tax credits are then effectively amortised from the point at which the related asset is ready for use on a straight line basis over its useful life.

2.9 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the income statement within selling and marketing costs. When a trade receivable is uncollectable, it is written off against the provision account in trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

2.10 Accrued Income

Accrued income are amounts due from customers for services performed, generally recognised under the stage of completion method as noted in 2.3, or transactions processed in the Group's software which have not yet been billed under existing agreements.

Accrued income is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Provision for impairment is determined, when applicable, when there is objective evidence that the Group will not be able to collect all amounts.

2.11 Employee Benefits

(a) Pension obligations

The Group operates defined contribution plans. A defined contribution is a pension plan under which the Group pays fixed contributions into an independently administrated pension fund.

The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(b) Share-based payment transactions

The Group and Company operate equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability). Non-market vesting conditions including Adjusted EBITDA and cash performance are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the estimate of the number of options that are expected to become exercisable is revised. The impact of the revision of original estimates, if any, is recognised in the income statement, with a corresponding adjustment to equity. The total expense is recognised over the vesting period which is the period over which all the specified vesting conditions are to be satisfied. Modifications of the performance conditions are accounted for as a modification under IFRS 2. In particular, where a modification increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. The proceeds received net of any directly attributable transactions costs are credited to share capital (nominal value) and share premium when the options are exercised.

IFRS 2 need not be applied to grants before 7 November 2002, or to grants after 7 November 2002 but which had vested before the later of January 2005 or the date of transition to IFRS. The Group has availed of this exemption and has only applied IFRS 2 to those options outstanding on 1 January 2005.

(c) Joint Share Ownership Plan

In 2012, the Company, established a Joint Share Ownership Programme under which certain employees were granted the opportunity to participate in a Share Ownership Plan that contains both performance and service conditions. The fair value of the employee services received in exchange for the grant of the ownership interest is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the awards granted. Non-market vesting conditions including EBITDA and cash performance are included in assumptions about the number of awards that are expected to become full ownership interests. At each balance sheet date, the estimate of the number of awards that are expected to become full ownership interests is revised. The impact of the revision of original estimates, if any, is recognised in the income statement, with a corresponding adjustment to equity. The total expense is recognised over the vesting period which is the period over which all the specified vesting conditions are to be satisfied. Modifications of the performance conditions are accounted for as a modification under IFRS 2. In particular, where a modification increases the fair value of the equity instruments granted, the Group has included the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period.

2.12 Foreign currency translation

(a) Functional and presentation currency

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in US dollars, which is the Company's functional and presentation currency.

(b) Transactions balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rate unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated at the date of the transaction; and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net qualifying investment in foreign operations are taken to shareholders' equity.

The Group has availed of the exemption in IFRS 1, whereby the cumulative translation differences for all foreign operations were deemed to be reset to zero at the date of transition to IFRS.

(d) Derivative financial instruments

The Group uses forward foreign exchange contracts to manage its exposure to foreign exchange risks arising from operational activities. These derivative financial instruments are recognised on inception at fair value.

Any gain or loss arising from the re-measurement of the fair value of forward foreign exchange contracts are reported in the Income Statement within "Other Gains/(Losses)".

2.13 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to the income statement on a straight-line basis over the period of the lease.

The fair value of property, plant and equipment acquired under finance leases is included in property, plant and equipment and depreciated over the shorter of the lease term and the estimated useful life of the asset when there is an intention to purchase the asset upon termination of the lease. The outstanding capital element of the lease obligations is included in current and non-current liabilities, as applicable, while the interest is charged to the income statement over the primary lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short term deposits with an original maturity of three months or less and funds in trust held by third parties which are at the Group's disposition on short notice.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Treasury shares

Where the Company issues or purchases equity share capital under its Joint Share Ownership Plan, which is held in trust by an Employee Benefit Trust, these shares are classified as treasury shares on consolidation until such time as the interests vest and the participants acquire the shares from the Trust or the interests lapse and the shares are cancelled or disposed of by the Trust. Treasury shares have been excluded in the calculation of basic and diluted earnings per share (See Note 19).

2.17 Investment in subsidiaries

Investments in equity shares in subsidiaries included in the Company balance sheet are stated at cost less provision for impairment. Such investments are tested for impairment at each balance sheet date or earlier if events or circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised in the income statement as the amount by which the asset's carrying amount exceeds its recoverable amount.

2.18 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Finance income and expenses

Interest income and expenses are recognised on a time-proportion basis using the effective interest method.

2.20 Exceptional Items

Exceptional items are material non-recurring items that derive from events or transactions that fall within the ordinary activities of the Group and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence. Such items may include litigation costs and settlement or once off costs where separate identification is important to gain an understanding of the financial statements.

Judgement is used by the Group in assessing the particular items which should be disclosed in the income statement and related notes as exceptional items.

2.21 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

2.22 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.23 Dividend Distribution

Dividend distribution to the Company's Shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's Shareholders.

3 – CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Capitalisation of development costs

Costs incurred on development projects are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technical feasibility and its costs can be measured reliably. Judgement is necessary to determine commercial and technical feasibility. These calculations also require the use of estimates, primarily around the level of directly attributable management and supervisory time, bug fixing (ie rebasing and republishing) and an appropriate portion of relevant overheads. Capitalisation ceases and amortisation commences once a product is available for deployment.

(b) Impairment of intangible assets

The Group undertakes a review for impairment annually or if events or circumstances indicate that the carrying amount may not be recoverable. Factors which the Group consider to trigger an impairment review include, but are not limited to the following:

- (i) significant negative industry or economic trends;
- (ii) current, historical or projected losses that demonstrate continuing losses; or
- (iii) results of fair market valuations.

Impairment is measured as the excess of the carrying value over the recoverable amount of the long lived asset. Management incorporates estimates when evaluating the carrying amount, the recoverable amount, the value in use and their fair value. If the actual outcome differs from these estimates, this may directly affect the amount of any impairment charge recorded. Details of the assumptions used in the impairment test are set out in Note 5. The value in use of intangible assets is primarily dependent upon projected cash flows, WACC and estimated growth rates. An alteration to the assumptions may result in an impairment loss in subsequent years, which could have a negative effect on our operating result and net assets.

3 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(CONTINUED)

(c) Establishing lives for amortisation purposes of intangible assets

The Group has significant levels of intangible assets. The amortisation charge is dependent on the estimated lives allocated to each type of intangible asset. The directors regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives and the expected pattern of consumption of the future economic benefits embodied in the asset. Changes in asset lives can have a significant impact on amortisation charges for the period.

Detail of the useful lives is included in Note 2 and the related intangible assets are set out in Note 5. Useful lives are based on management's estimate of the period over which the asset will generate revenue. If the useful lives had increased by an average of one year in the year ended 31 December 2013, then our amortisation charge would have reduced by US\$0.7m. If the useful lives had decreased by an average of 1 year in the year ended 31 December 2013, then our amortisation charge would have increased by US\$1m.

(d) Recognition of professional services revenue

For fixed fee service revenue arrangements judgement is required in determining the stage of completion. For large contracts with long deployment periods, this may be complex. The Group measures percentage of completion based on labour hours incurred to date as a proportion of total hours allocated to the contract. If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in the period in which the circumstances that give rise to the revision become known by management.

(e) Recognition of deferred income tax assets

The recognition of deferred income tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences, tax losses carried forward and R&D tax credits can be utilised. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. The Group has recognised a deferred income tax asset of US\$1.1m as at 31 December 2013 (2012 US:\$0.8m) (see Note 18).

Recognition involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset is held. There is no absolute assurance the assets recognised will be realised.

(f) Grant date of share based payments

The grant date is the date when the award was made and the Group and the counterparty have obtained a shared understanding of the terms and conditions of the arrangement. The Group has the ability to alter the performance conditions under the Joint Share Ownership Scheme and the new Share Option Scheme (see Note 9) through the terms of the plans, which allow the Remuneration Committee discretion to alter these conditions after the grant date has occurred. All awards in 2013 and 2012, have been accounted for at valuations determined at the grant date.

Judgement has also been used to assess the probability that performance conditions are met.

4 - PROPERTY, PLANT AND EQUIPMENT

	Fixtures & Fittings US\$'000	Computer Equipment US\$'000	Total US\$'000
At 1 January 2012			
Cost	209	2,723	2,932
Accumulated Depreciation	(144)	(1,604)	(1,748)
Net Book Amount	65	1,119	1,184
Year Ended 31 December 2012			
Opening net book amount	65	1,119	1,184
Costs			
Additions	166	1,005	1,171
Disposals	(9)	-	(9)
Depreciation			
Depreciation charge	(42)	(638)	(680)
Disposals	8	-	8
Closing Net Book Amount	188	1,486	1,674
At 31 December 2012			
Cost	366	3,728	4,094
Accumulated depreciation	(178)	(2,242)	(2,420)
Net Book Amount	188	1,486	1,674
Year ended 31 December 2013			
Opening net book amount	188	1,486	1,674
Costs			
Additions	22	641	663
Disposals	-	(2)	(2)
Depreciation			
Depreciation charge	(50)	(884)	(934)
Disposals	-	2	2
Closing Net Book Amount	160	1,243	1,403
At 31 December 2013			
Cost	388	4,367	4,755
Accumulated depreciation	(228)	(3,124)	(3,352)
Net Book Amount	160	1,243	1,403

Depreciation of US\$768,167 (2012: US\$574,300) has been charged in cost of sales, US\$68,089 (2012: US\$65,393) in selling and marketing expenses and US\$98,106 (2012: US\$40,307) in administrative expenses in the income statement.

Included in the computer equipment of the Group is equipment acquired under finance leases relating to hosting equipment as follows:

	2013 US\$'000	2012 US\$'000
Cost	2,403	2,021
Accumulated depreciation	(1,443)	(797)
Net Book Value	960	1,224
Depreciation charge for the financial year	686	511

5 - INTANGIBLE ASSETS

	Software US\$'000	TDP Development US\$'000	Total US\$'000
At 1 January 2012			
Cost	912	34,151	35,063
Accumulated amortisation	(560)	(19,768)	(20,328)
Closing Net Book Amount	352	14,383	14,735
Year Ended 31 December 2012			
Opening net book amount	352	14,383	14,735
Additions	297	3,876	4,173
Government grant assistance	-	(363)	(363)
Amortisation charge	(197)	(4,527)	(4,724)
Closing Net Book Amount	452	13,369	13,821
At 31 December 2012			
Cost	1,209	37,664	38,873
Accumulated amortisation	(757)	(24,295)	(25,052)
Closing Net Book Amount	452	13,369	13,821
Year ended 31 December 2013			
Opening net book amount	452	13,369	13,821
Additions	10	3,192	3,202
Government grant assistance	-	(161)	(161)
Amortisation charge	(160)	(4,260)	(4,420)
Closing Net Book Amount	302	12,140	12,442
At 31 December 2013			
Cost	1,219	40,695	41,914
Accumulated amortisation	(917)	(28,555)	(29,472)
Closing Net Book Amount	302	12,140	12,442

Amortisation of US\$4.4m (2012: US\$4.7m) is included in cost of sales in the income statement. The weighted average remaining amortisation period of the TDP development is 44 months (2012: 43 months). In the year research and development expenditure of US\$2.2m (2012: US\$1.7m) was recognised as an expense in the income statement.

Management has identified two individual cash generating units (CGU), E-business and TPF Consulting. The groupings represent the lowest level at which the related assets are monitored for internal management purposes. As the TDP intangible assets are an integral part of the E-business CGU, these assets were assessed for impairment as part of the overall E-business CGU as at 31 December 2013.

An impairment test was carried out at 31 December 2013 and at 31 December 2012 at the E-Business CGU level, by comparing the asset's recoverable amount (based on the higher of its value in use and fair value less costs to sell) with its carrying amount. The recoverable amount was calculated on the basis of value in use, using the discounted cash flow (DCF) method.

5 - INTANGIBLE ASSETS

CONTINUED

These calculations use pre tax cash projections based on the Board approved financial projections for 2014 to 2016, together with management forecasts for 2017 and 2018. A five year period is used as this corresponds to the standard customer contract duration, and almost 80% of current customer contracts extend to 2017 or beyond. Projected revenue growth in this five year period is delivered by projected growth in online penetration in developing markets such as Asia in respect of contracts currently in place, customer go lives during 2014 and new customers contracted in 2013 that will go live during 2014. The estimated net future cash flows do not include any revenue projections from currently un-contracted new business that may be secured in 2014 or future years. No terminal value has been allocated.

The key assumptions used for value-in use calculations were cash gross margin for its transaction revenue of 33% (2012: 33%), average growth rate of 6% (2012: 7%) and a discount rate of 10% (2012: 10%). Management determined budgeted cash gross margin based on past performance and its expectations of market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant CGU.

A reasonable possible change in assumptions would not cause an impairment.

6 – INVESTMENT IN SUBSIDIARIES

Company only	2013	2012
	US\$'000	US\$'000
Investment in subsidiaries	45,967	45,318

The Company has investments in the following principal subsidiary undertakings.

Company Name	Ordinary Shares	Nature of Activity	Registered Office
Datalex (Ireland) Limited	100%	Development and sale of computer software	Block U, East Point Business Park, Clontarf, Dublin 3, Ireland.
Datalex USA, Inc.	100%	Delivery of professional services and hosting	1 Concourse Parkway, Suite 650, Atlanta, GA 30328, USA
Datalex Netherlands B.V	100%	TPF Consulting	Parlevinker 21, 1186 ZA Amstelveen, The Netherlands.
Teamwork Solutions Limited	100%	Delivery of professional services	Tower 12, 18-22 Bridge Street, Spinningfields, Manchester, M3 3BZ, UK.
Datalex Tokenization, Inc.	100%	Provision of online payment processing connectivity in line with PCI compliance	1 Concourse Parkway, Suite 650, Atlanta, GA 30328, USA
Datalex Employee Benefit Trust	100%	Share Trust (JSOP)	12 Castle Street, St Helier, Jersey JE2 BR2

7 – TRADE AND OTHER RECEIVABLES

	Group 2013 US\$'000	Group 2012 US\$'000	Company 2013 US\$'000	Company 2012 US\$'000
Trade receivables	5,472	4,358	-	-
Less: provision for impairment ^(a)	(486)	(540)	-	-
Trade receivables – net	4,986	3,818	-	-
Amounts owed by Group undertakings	-	-	3,422	1,695
Other receivables	459	594	8	26
Prepayments	790	786	-	-
Accrued income	4,591	2,719	-	-
	10,826	7,917	3,430	1,721

^(a) The provision is determined and provided for on the basis of estimated future cash flows. The Group uses estimates based on customer specific information in determining the level of debts, which the Group believes, will not be collected. The estimates include such factors as the current state of the economy and particular industry issues. The level of provision required is reviewed on an ongoing basis. Trade receivables which are neither impaired nor past due relate to a number of independent customers for whom there is no recent history of default.

The fair value of trade receivables approximate to the values shown above. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold collateral as security.

The ageing analysis of past due trade receivables is set out below.

	Ageing analysis of past due				Neither impaired nor			Total US\$'000
	Less than 30 days US\$'000	Between 31-60 days US\$'000	Between 61-90 days US\$'000	More than 90 days US\$'000	past due US\$'000	Impaired US\$'000		
At 31 Dec 2013	1,553	223	2	395	2,813	486	5,472	
At 31 Dec 2012	1,005	542	45	283	1,943	540	4,358	

7 – TRADE AND OTHER RECEIVABLES

CONTINUED

Movements on the Group provision for impairment of trade receivables are as follows:

	2013	2012
	US\$'000	US\$'000
At 1 January 2013	540	419
Provision for receivables impairment	214	166
Receivables written off during the year as uncollectible	(268)	(39)
Unused Amounts Reversed	-	(6)
At 31 December 2013	486	540

The creation and release of provision for impaired receivables have been included in Selling and Marketing costs in the income statement.

The other classes within trade and other receivables do not contain impaired assets.

(b) The majority of the Group's customers primarily representing major corporations, operate within the airline and travel industry. As at 31 December 2013 and 2012, a significant portion of the trade receivables and accrued income of the Group related to a limited number of customers as follows;

	2013	2012
Customer A	25%	19%
Customer B	24%	14%
Customer C	7%	10%
Customer D	7%	0%
Customer E	5%	8%
Customer F	5%	7%
Customer G	4%	6%
Customer H	4%	5%

(c) Amounts owed by Group undertakings are interest free, unsecured and are repayable on demand. The Board have reviewed these amounts for impairment. Following this review, no provision was deemed necessary.

(d) The carrying amounts of the Group's trade receivables and accrued income are denominated in the following currencies;

	Group	Group
	2013	2012
	US\$'000	US\$'000
US\$	7,443	4,786
Euro	2,435	2,006
Sterling	185	285
	10,063	7,077

8 – CASH AND CASH EQUIVALENTS

	Group 2013 US\$'000	Group 2012 US\$'000	Company 2013 US\$'000	Company 2012 US\$'000
Cash at bank and in hand	12,925	9,395	69	1,129
Short-term bank deposits	3,953	5,233	-	-
	16,878	14,628	69	1,129

The effective interest rate on short term bank deposits is based on the appropriate Euribor rate. These deposits have an average maturity of 30 days. The fair values of the short term bank deposits approximate to the values shown.

The Group's currency exposure is set out below. Such exposure comprises the cash and cash equivalents of the Group that are denominated other than in US dollars. As at 31 December 2013 these exposures were as follows:

Non-US\$ denominated monetary assets	2013 US\$'000	2012 US\$'000
Euro	4,579	4,207
Sterling	496	1,541
Other	-	17
Total Non-US\$	5,075	5,765

9 – SHARE CAPITAL

Authorised Share Capital - Group and Company

	2013 US\$'000	2012 US\$'000
Equity Share Capital		
100,000,000 ordinary shares of US\$0.10 each	10,000	10,000
Other equity share capital		
3,000,000 'A' Convertible redeemable shares of US\$0.10 each	300	300
1,500,000 'B' Convertible redeemable shares of US\$0.10 each	150	150
30,000 deferred shares of €1.269738 each	38	38
	488	488
	10,488	10,488

Issued Share Capital – Group and Company

	Ordinary Shares No. of shares	Ordinary shares US\$'000	Convertible Redeemable shares (‘A’ and ‘B’) No. of shares	Convertible Redeemable shares US\$'000	Deferred shares No. of shares	Deferred shares US\$'000
	'000	US\$'000	'000	US\$'000	'000	US\$'000
At 1 January 2012	71,709	7,171	2,542	254	30	8
Employee share option scheme - proceeds from share issue	509	51	-	-	-	-
At 31 December 2012	72,218	7,222	2,542	254	30	8
At 1 January 2013	72,218	7,222	2,542	254	30	8
Employee share option scheme - proceeds from share issue	1,902	191	-	-	-	-
At 31 December 2013	74,120	7,413	2,542	254	30	8

Rights attaching to shares

All issued shares are fully paid except the 30,000 deferred shares which are partly paid.

Ordinary Shares

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

9 – SHARE CAPITAL

CONTINUED

'A' and 'B' convertible redeemable shares

On 1 October 2001, the conversion rights attaching to 'A' convertible redeemable shares expired. On 30 March 2007, the conversion rights attaching to the 'B' convertible redeemable shares expired. The convertible redeemable shares have no participation rights in relation to profits and surplus in a winding up, no contractual obligations to deliver funds in a winding up and the holders are not entitled to attend or vote at any general meeting of the Company.

Deferred shares

All deferred shares issued have no participation rights in relation to profits and surplus in a winding up, and the holders are not entitled to attend or vote at any general meeting of the Company.

Treasury shares

As set out later in this note, an Employee Benefit Trust has an interest over 1.56m ordinary shares. For accounting purposes these shares are treated as treasury shares.

Employee share options scheme – 2000 Share Option Schemes

The Group had operated two employee share option schemes up to their date of expiration in August 2010, together referred to as the 2000 Share Option Schemes. After this date no new options were granted under these schemes.

Group share option scheme

The terms of this scheme allow for vesting over a three year period, in equal thirds commencing on the first anniversary of the date of grant. Accelerated vesting can take place subject to Board approval. The majority of options issued under this scheme expire 10 years after issuance. Employees who leave the company have 90 days to exercise any vested options, after which period the options lapse and become void. Unvested options expire upon leaving the company. The exercise price of all options granted is equal to the market price of the shares on the date of grant.

UK share option scheme

The terms of this scheme allow for vesting over a three year period, in equal thirds commencing on the first anniversary of the date of grant. Accelerated vesting can take place subject to Board approval. All options issued under this scheme expire 10 years after issuance. Employees who leave the company have 90 days to exercise any vested options, after which period, the options lapse and become void. Unvested options expire upon leaving the company. The exercise price of all options granted is equal to the market price of the shares on the date of grant.

Summary of employee share options activity (number of options) in respect of the 2000 Share Option Schemes

	2013	2012
	2000 Group share option scheme	2000 Group share option scheme
Outstanding at beginning of year	4,729,335	5,295,501
Granted during the year	-	-
Exercised during the year	(1,901,899)	(508,748)
Expired during the year *	(78,602)	(57,418)
Outstanding at end of year	2,748,834	4,729,335

* Expired on departure from the Group or on expiration of the share option scheme.

9 – SHARE CAPITAL

CONTINUED

Summary of employee share scheme activity

The activity in the Group's 2000 share option schemes is summarised in the following table:

	2013	2013	2012	2012
	No. of shares subject to conversion price and option	Weighted Average Exercise price (US\$)	No. of shares subject to conversion price and option	Weighted Average Exercise price (US\$)
Outstanding at beginning of year	4,729,335	0.42	5,295,501	0.41
Issued during the year	-	-	-	-
Exercised during the year	(1,901,899)	0.36	(508,748)	0.39
Expired during the year	(78,602)	0.25	(57,418)	0.56
Outstanding at end of year	2,748,834	0.47	4,729,335	0.42
Exercisable at end of year	2,748,834	0.47	3,948,553	0.50

No options were granted during the year (2012: nil) as the scheme had previously expired.

Share options outstanding at the end of the year have the following exercise price ranges and expiry dates:

Exercise price range remaining	Number of options	Weighted average Contractual life (in months)
Lesser than US\$0.30	1,490,667	77
US\$0.30 to US\$0.50	3,000	57
US\$0.51 to US\$0.70	338,667	15
US\$0.71 to US\$0.90	468,000	46
Greater than US\$0.90	448,500	36
Total	2,748,834	

Employee share options scheme – 2012 scheme

On 6 February 2012 a new share option plan (the “2012 Group Share Option Scheme”) was implemented, replacing the original “2000 Share Option Schemes” which expired on their 10th anniversary in August 2010. Under the 2012 scheme, share options can only vest after the third anniversary of award, and vesting is subject to the achievement of challenging annual performance conditions. At grant date performance conditions relate to EBITDA and cash targets, as established by the Remuneration Committee and other measures of shareholder value as the Remuneration Committee may also consider appropriate.

No options may be granted under the 2012 Plan which would cause the number of shares issued or issuable in the preceding ten years to exceed 10% of the ordinary share capital of the Company in issue at that time. As a further restriction, no options will ordinarily be granted under the 2012 Plan which would cause the number of shares issued or issuable in the preceding ten years to exceed 7.5% of the ordinary share capital of the Company in issue at that time, but on the basis that the Remuneration Committee may resolve to grant additional options up to the overall 10% limit if it determines either that the Group's underlying financial performance and/or growth in shareholder value would merit such further dilution or that vesting of any additional such options would be subject to exceptional performance. The basis for any such determination by the Remuneration Committee would be described in the Annual Report and Financial Statements.

Summary of employee share options activity (number of options)

	2013	2012
	2012 Group share option scheme	2012 Group share option scheme
Outstanding at beginning of year	1,572,000	-
Granted during the year	1,395,000	3,731,000
Exercised during the year	-	-
Forfeited during the year *	(45,000)	(2,159,000)
Outstanding at end of year	2,922,000	1,572,000

* Expired on departure from the Group.

	2013	2013	2012	2012
	No. of shares subject to conversion price and option	Weighted Average Exercise price (US\$)	No. of shares subject to conversion price and option	Weighted Average Exercise price (US\$)
Outstanding at beginning of year	1,572,000	0.63	-	-
Issued during the year	1,395,000	1.15	3,731,000	0.63
Exercised during the year	-	-	-	-
Forfeited during the year	(45,000)	0.74	(2,159,000)	0.63
Outstanding at end of year	2,922,000	0.85	1,572,000	0.63
Exercisable at end of year	-	-	-	-

The fair value of the options granted during the year determined using the Black Scholes model was US\$874,000 (2012: US\$552,684). The weighted average fair value per option was US\$0.64. The significant inputs into the model were share prices of €0.77, €0.80, €0.84, €0.85 and €0.96 (2012: €0.36, €0.48, €0.50, €0.59 and €0.78) at the grant date (being the market price of shares at the date of grant), exercise price (which is the same as the share price at the grant date), dividend yield of nil (2012: nil), risk-free interest rates of 2.5% (2012: 2.5%), expected option life of 4 years (2012: 4 years) and the standard deviations of expected share price returns of 80% (2012: 80%). The volatility measured at the standard deviation of expected share price returns is based on statistical analysis in the last year and an analysis of the market volatility for companies of similar profile, and professional advice received.

As the 2013 performance conditions were not met, in accordance with IFRS 2, the estimated number of options subject to the 2013 performance conditions that were expected to vest at 31 December is nil giving rise to a credit of US\$150,000. In 2012, the performance conditions set down for FY 2012 (EBITDA and cash) were not met. The Remuneration Committee determined that the 2012 performance target would be carried forward one year from that date, with vesting to be subject to performance conditions in FY 2015. As a consequence of the modification of the performance conditions, of the awards subject to 2012 performance targets, the fair value increased by circa US\$0.2m based on a revised fair value per award of US\$0.75 on the modification date. The significant inputs into the model to calculate this revised fair value were award prices of €0.80 (being the market price of the shares on modification), exercise prices ranging from €0.36 to €0.78, dividend yield of nil, risk-free interest rates of 2.5%, expected life of 3 years and the standard deviations of expected award price returns of 80%.

9 – SHARE CAPITAL

CONTINUED

In connection with the share options granted both in 2012 and 2013 which were subject to the 2013 performance conditions, the specific 2013 performance conditions in relation to EBITDA and cash were missed by a narrow margin. As noted in the Remuneration Report in 2014, the Remuneration Committee and the Board have decided that, in light of the comprehensive progress made in 2013 and given that the 2012 Share Option plan is the only equity incentive scheme in operation for the vast majority of employees in the company, the Board will seek shareholder approval at its Annual General Meeting to change the performance conditions for these awards in order to allow vesting of the portion of share options subject to 2013 performance. If this proposal is approved by the shareholders the charge of US\$150,000 will be recorded in the 2014 financial year.

Share options outstanding at the end of the year have the following exercise price ranges and expiry dates:

Exercise price range remaining	Number of options	Weighted average Contractual life (in months)
US\$0.30 to US\$0.50	515,000	97
US\$0.51 to US\$0.70	747,000	99
US\$0.71 to US\$0.90	170,000	102
Over US\$0.90	1,490,000	110
Total	2,922,000	

The 2013 charge in relation to share options was US\$259,000 (2012: US\$106,000), which is after the credit arising for the 2013 performance conditions of US\$150,000.

Joint Share Ownership Plan

In January 2012, the Board of Directors approved the establishment of a Joint Share Ownership Plan. The scheme is intended to incentivise senior management in the Company (excluding Executive Directors) towards the achievement of challenging performance targets for EBITDA and cash generation, as established by the Remuneration Committee during the years ending 31 December 2012 and 31 December 2013. Under the plan the participants and an Employee Benefit Trust which is a wholly owned subsidiary of Datalex (Ireland) Limited jointly acquired 1.56m awards of existing stock at the open market price (€0.36 per award). Subject to meeting the performance conditions for EBITDA and cash or achievement of other challenging measures of performance and earnings considered by the Remuneration Committee to be appropriate, the awards vest in two equal tranches, on 31 December 2012 and 2013.

	Joint Share Ownership Plan			
	2013	2013	2012	2012
	No. of awards subject to conversion price and option	Weighted Average Exercise price (US\$)	No. of awards subject to conversion price and option	Weighted Average Exercise price (US\$)
Outstanding at beginning of year	1,560,000	0.47	-	-
Issued during the year	-	-	1,560,000	0.47
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding at end of year	1,560,000	0.50	1,560,000	0.47
Exercisable at end of year	780,000	0.50	-	-

The 2013 charge in relation to the JSOP scheme was US\$391,000 (2012: US\$100,000).

No awards were made in 2013.

The fair value of the awards granted in 2012 determined using the Black Scholes model was US\$398,881. The weighted average fair value per award was US\$0.25. The significant inputs into the model were award prices of €0.36 at the grant date (being the market price of awards at the date of grant), exercise price (which is the same as the award price at the grant date), dividend yield

9 – SHARE CAPITAL

CONTINUED

of nil, risk-free interest rates of 2.5%, expected life of 3 years and the standard deviations of expected award price returns of 80%. The volatility measured at the standard deviation of expected award price returns is based on statistical analysis of daily award prices in the last year and an analysis of the market volatility for companies of similar profile, and professional advice received. In 2012, the performance conditions set out for FY 2012 (EBITDA and cash) and which applied to 50% of the awards, were not met, and consequently, these awards which related to the 2012 performance did not vest on 31 December 2012, and instead were carried forward to FY 2014, with vesting to be subject to EBITDA and cash generation targets as agreed by the Remuneration Committee. As a consequence of the modification of the performance conditions, the fair value of the awards carried forward to FY 2014 was increased by approximately US\$0.4m based on the revised fair value per award of US\$0.75 on the modification date. The significant inputs into the model to calculate this revised fair value were award prices of €0.80 (being the market price of awards on modification), exercise price of €0.36, dividend yield of nil, risk-free interest rates of 2.5%, expected life of 3 years and the standard deviations of expected award price returns of 80%.

In connection with the awards which were subject to the 2013 performance conditions and as noted in the Remuneration Report, while the performance conditions were not met, the Remuneration Committee having regarded the level of performance achieved by the company in 2013, have exercised their discretion and have determined that the awards have vested at 31 December. This decision has been taken into account when determining the estimate of the number of awards that vested as at 31 December 2013.

10 – OTHER RESERVES

Group	Share premium	Other Capital reserves	Other reserves	Foreign currency translation	Total
	US\$'000	US\$'000	US\$'000 ⁽³⁾	US\$'000 ⁽²⁾	US\$'000
Balance at 1 January 2012	81,595	105,308	533	312	187,748
Share Option charge	-	-	207	-	207
Premium on shares issued	143	-	-	-	143
Share Capital reduction	(81,595)	(105,174)	-	-	(186,769)
Proceeds from exercise of collateral on 1.85m Datalex plc shares ⁽¹⁾	-	-	1,017	-	1,017
Purchase of 1.56m treasury shares arising on the establishment of Datalex JSOP	-	-	(723)	-	(723)
Currency translation differences	-	-	-	1	1
Balance at 31 December 2012	143	134	1,034	313	1,624
Balance at 1 January 2013	143	134	1,034	313	1,624
Share Option charge	-	-	650	-	650
Premium on shares issued	470	-	-	-	470
Currency translation differences	-	-	-	19	19
Balance at 31 December 2013	613	134	1,684	332	2,763

In 2012, other capital reserves in the consolidated balance sheet consisted of a capital reserve of US\$108.2m, representing the share premium of Datalex (Ireland) Limited at the date of the merger with Datalex plc on 4 August 2000, reduced by a debit merger reserve of US\$2.9m. The merger reserve of US\$2.9m was the difference between the nominal value of the shares issued and the nominal value of the issued share capital of Datalex (Ireland) Limited at the date of the merger. In 2012, Datalex (Ireland) Limited applied to the High Court and obtained the approval on 4 April 2012 for a share capital reduction of US\$105.2m. Datalex plc also obtained a share capital reduction and the net impact on the consolidated reserves is a transfer of US\$186.8m from share premium and other reserves to retained earnings.

⁽¹⁾ Collateral disposal

In 2002, three former Datalex executives in the US established a new business called Conduvive Technology Corp ('CTC'). Datalex provided this Company with an US\$800,000 working capital loan, secured against any future proceeds of sale of 1.85m shares in Datalex held by the founders of CTC. On 25 January, 2012 CTC disposed of 1.56m shares, which were acquired at the open market price by the Datalex Employee Benefit Trust, as part of the implementation of the Joint Share Ownership Plan (see pages 38 and 39). In October 2012, CTC completed the sale of the remaining 290,000 shares, remitting these proceeds to Datalex. Given that the loan had previously been written off through reserves on transition to IFRS, the proceeds recovered were recognised through reserves directly under IAS 32.

⁽²⁾ The foreign currency reserve relates to the cumulative currency translation differences in subsidiaries whose functional currencies are not the US Dollar arising from the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the balance sheet date as well as the translation of applicable assets and liabilities.

⁽³⁾ Other reserves comprise of:

- Share Based Payment Reserve: This reserve comprises of amounts expensed in the Group Income Statement in connection with awards made under the equity settled share based plans and the JSOP.
- Proceeds from exercise of collateral on 1.85m Datalex plc shares: This reserve comprises the proceeds obtained from the execution of a collateral on 1.85m shares. See footnote (1) for further details.
- Other reserves includes a debit in respect of 1.56m shares held by the Datalex Employee Benefit Trust at year end in the context of the JSOP. These shares are treated as treasury shares and consequently have been deducted from equity.

10 – OTHER RESERVES

CONTINUED

Company	Share premium US\$'000	Other reserves ⁽²⁾ US\$'000	Total US\$'000
Balance at 1 January 2012	359,243	533	359,776
Share Option charge	-	207	207
Premium on shares issued	143	-	143
Share capital reduction ⁽¹⁾	(319,314)	-	(319,314)
Balance at 31 December 2012	40,072	740	40,812
Balance at 1 January 2013	40,072	740	40,812
Share Option charge	-	650	650
Premium on shares issued	470	-	470
Balance at 31 December 2013	40,542	1,390	41,932

⁽¹⁾ Company Share Capital reduction

On 6 February 2012 the shareholders of the Company decided to apply for a reduction in the share capital of the Company by the cancellation of US\$319.3m standing to the credit of the Company Share Premium Account and to offset this amount against the deficit in the Company retained earnings. The reduction of share capital took legal effect on 4 April 2012 when it was approved by the High Court.

⁽²⁾ Other reserves relate to share based payments as set out in Note 9.

11 – TRADE AND OTHER PAYABLES

	Group 2013 US\$'000	Group 2012 US\$'000	Company 2013 US\$'000	Company 2012 US\$'000
Trade payables	2,966	2,624	-	-
Accruals	1,689	1,810	-	-
Deferred income	1,523	867	-	-
Pension contribution	116	136	-	-
Social security and other taxes	1,188	1,156	-	-
VAT payable	271	224	-	-
	7,753	6,817	-	-

The fair values of trade and other payables approximate to the values shown above.

The carrying amounts of the Group's trade payables and other payables are denominated in the following currencies:

	Group 2013 US\$'000	Group 2012 US\$'000
US\$	2,126	1,849
Euro	650	708
Sterling	177	63
Australian Dollar	13	4
	2,966	2,624

12 – BORROWINGS

	Group 2013 US\$'000	Group 2012 US\$'000
Financial lease liabilities		
Non-current	336	513
Current	555	708
Total Borrowings	891	1,221

The carrying amount of the Group's borrowings are denominated in US\$. Lease liabilities are secured as the rights to the leased assets revert to the lessor in the event of default.

Gross finance lease liabilities - minimum lease payments	2013 US\$'000	2012 US\$'000
*No later than a year	601	757
*Later than a year and no later than 3 years	347	526
Total	948	1,283
Future finance charge on finance leases	(57)	(62)
Present value of finance lease liabilities	891	1,221

The present value of finance leases is as follows:

	2013 US\$'000	2012 US\$'000
* No later than a year	555	708
* Later than a year and no later than 3 years	336	513
Total	891	1,221

13 – SEGMENTAL INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive management team that are used to make strategic decisions. The executive management team assesses the performance of the operating segments based on a measure of Adjusted EBITDA.

The executive management team considers the business from a product and service perspective. Management considers the performance of E-business and TPF Consulting on a separate basis.

The reportable operating segments derive their revenue primarily from the sale of products and services associated with our suite of travel related technology and consulting revenue. Segment profit is measured on Adjusted EBITDA which is defined as Earnings before interest, tax, depreciation, amortisation and share options and interests granted to directors and employees.

Sales between segments are carried out at arm's length. The revenue from external parties reported to the executive management team is measured in a manner consistent with that in the income statement.

The segment information provided to the executive management team for the reportable segments for the year ended 31 December 2013 is as follows:

	2013	2013	2013	2012	2012	2012
	E-Business US\$'000	TPF Consulting US\$'000	Total US\$'000	E-Business US\$'000	TPF Consulting US\$'000	Total US\$'000
Revenue	35,350	3,517	38,867	29,358	3,719	33,077
Inter-segment revenue	-	(793)	(793)	-	(727)	(727)
External Revenue	35,350	2,724	38,074	29,358	2,992	32,350
Adjusted EBITDA	7,201	321	7,522	5,774	194	5,968
Share options and ownership interests granted to directors and employees	(650)	-	(650)	(207)	-	(207)
EBITDA	6,551	321	6,872	5,567	194	5,761
Depreciation	915	19	934	662	18	680
Amortisation	4,420	-	4,420	4,724	-	4,724
Operating profit	1,216	302	1,518	181	176	357
Interest Payable			(74)			(94)
Finance income			85			57
Profit before taxation			1,529			320
Income tax			71			801
Profit after taxation			1,600			1,121

13 – SEGMENTAL INFORMATION
CONTINUED

A reconciliation of Adjusted EBITDA to profit before taxation is provided as follows:

	31 Dec 2013 US\$'000	31 Dec 2012 US\$'000
Adjusted EBITDA	7,522	5,968
Depreciation	(934)	(680)
Amortisation - Development Costs	(4,260)	(4,527)
Amortisation - Software	(160)	(197)
Finance income	85	57
Interest payable	(74)	(94)
Share Option Charge	(650)	(207)
Profit before income tax	1,529	320

Segment assets and liabilities

The amounts provided to executive management team with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on operations of the segment and the physical location of the asset.

Reportable segments' assets are reconciled to total assets as follows:

	2013 E-Business US\$'000	2013 TPF Consulting US\$'000	2013 Total US\$'000	2012 E-Business US\$'000	2012 TPF Consulting US\$'000	2012 Total US\$'000
Reportable segment assets:						
Intangible Assets						
- Development	12,140	-	12,140	13,369	-	13,369
- Software	302	-	302	452	-	452
Other Assets	29,079	1,094	30,173	23,609	1,595	25,204
Total Reportable segment assets:	41,521	1,094	42,615	37,430	1,595	39,025
Total assets			42,615			39,025

	2013 E-Business US\$'000	2013 TPF Consulting US\$'000	2013 Total US\$'000	2012 E-Business US\$'000	2012 TPF Consulting US\$'000	2012 Total US\$'000
Reportable segment liabilities:						
Current	(7,904)	(404)	(8,308)	(7,142)	(383)	(7,525)
Non - Current	(336)	-	(336)	(513)	-	(513)
Unallocated Liabilities						
Current Tax	(54)	-	(54)	-	-	-
Total liabilities			(8,698)			(8,038)

13 – SEGMENTAL INFORMATION

CONTINUED

Revenue from external customers is derived from the sales of E-business products and services associated with our suite of travel related technology and TPF consulting revenue.

Analysis of revenue by category	2013	2012
	US\$'000	US\$'000
Transaction revenue ⁽¹⁾	17,517	14,689
Professional services	15,864	14,070
Consultancy	2,724	2,992
Other revenue ⁽²⁾	1,969	599
Total Revenue	38,074	32,350

⁽¹⁾ US\$1.5m of transaction revenue was recognised based on minimums in excess of actual transactions as at 31 December 2013 (2012: US\$0.6m)

⁽²⁾ Other revenue as at 31 December 2013 includes an amount of US\$1.3m received from a customer who, following a review of its full IT architecture and investment plans, was forced to suspend a number of programmes, including the deployment of our product.

The entity is domiciled in the Republic of Ireland. Revenue from external customers in the Republic of Ireland is US\$3.8m (2012: US\$2.9m) and the total of revenue from external customers from other countries is US\$34.3m (2012: US\$29.4m).

The total of non-current assets located in the Republic of Ireland is US\$11.5m (2012: US\$12.7m), and total of these non-current assets located in other countries is US\$0.9m (2012: US\$1.2m).

A significant portion of the revenue of the Group was derived from the external customers as follows, all of whom relate to E-business segment, with the exception of a portion of Customer H which relates to TPF consulting:

	2013	2012
Customer A	17%	14%
Customer B	12%	13%
Customer C	10%	9%
Customer D	9%	6%
Customer E	8%	8%
Customer F	6%	4%
Customer G	6%	3%
Customer H	5%	6%
Customer I	4%	4%
Customer J	3%	8%

14 – EXPENSES BY NATURE

	2013 US\$'000	2012 US\$'000
Employee Benefit expense (Note 16) - net of capitalisation	18,446	16,442
Consultants and contractors	7,486	6,593
Capitalisation of consultants and contractors costs	(1,348)	(2,054)
Amortisation – Development costs (Note 5)	4,260	4,527
Establishment costs	1,573	1,562
Professional fees	1,249	1,044
Depreciation (Note 4)	934	680
Hosting	890	914
Travel	859	855
Software maintenance and other online charges	285	208
Auditors remuneration	257	219
Communication	253	277
Third party services	234	185
Bad debt expense (Note 7)	214	166
Amortisation - Software (Note 5)	160	197
Other	1,040	533
Total cost of sales, selling and marketing costs and administrative expenses	36,792	32,348
Disclosed as:		
- Cost of sales	31,049	26,722
- Selling and marketing costs	2,734	2,844
- Administrative expenses	3,009	2,782
Total operating costs	36,792	32,348

During the year the Group obtained the following services from the Company's auditors:

	2013 US\$'000	2012 US\$'000
Fees payable to the Company's auditors for the audit of the parent company and consolidated financial statements:	153	143
Fees payable to the company's auditors for other services:		
* The audit of the company's subsidiaries pursuant legislation	7	7
* Tax services	77	69
* Other non-assurance work	20	-
Total	257	219

15 – OTHER GAINS

	2013 US\$'000	2012 US\$'000
Net foreign exchange gain	90	92
Forward foreign exchange contract gain	146	263
Total Other Gains	236	355

16 – EMPLOYEE BENEFIT EXPENSE

	2013 US\$'000	2012 US\$'000
Wages and salaries	17,174	15,869
Social security costs	1,799	1,647
Pension costs – defined contribution schemes	667	489
Employee benefit expense before capitalisation	19,640	18,005
Capitalised labour	(1,844)	(1,770)
	17,796	16,235
Share options and ownership interests granted to directors and employees (Note 9)	650	207
Total	18,446	16,442

The average number of persons employed by the Group (including Executive Directors) during the year analysed by category was as follows:

	2013	2012
Product development and delivery	139	132
Sales and marketing	10	9
Administration	21	19
Total	170	160

The total number of persons employed by the Group (including Executive Directors) at 31 December 2013 was 177 (2012: 171).

The Group operates a number of defined contribution pension schemes in which the majority of Group employees participate. The assets of these schemes are held separately from those of the Group in independently administered funds. The pension charge represents contributions payable by the Group to the schemes and amounted to US\$667,005 in respect of 2013 (2012: US\$489,428), of which US\$49,329 was accrued at the year-end (2012: US\$30,569).

Details of director's remuneration can be found in the Remuneration Report.

17 – INTEREST INCOME AND FINANCE COSTS

	2013 US\$'000	2012 US\$'000
Interest income on bank deposits	85	57
Finance lease interest	(74)	(94)
Total	11	(37)

18 – INCOME TAX

(a) Income tax

	2013 US\$'000	2012 US\$'000
Current Tax		
Corporation tax for the year	-	-
Foreign tax for the year	155	39
Total current tax	155	39
Deferred Tax		
Recognition of net deferred tax asset ⁽¹⁾	(226)	(840)
Income tax credit	(71)	(801)

⁽¹⁾ Recognition of deferred tax assets comprises deferred tax credit and reversal of temporary differences of US\$153,000 and recognition of previously unrecognised deferred tax assets of US\$73,000.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Irish domestic tax rate applicable to profits of the consolidated companies as follows:

	2013 US\$'000	2012 US\$'000
Profit before tax	1,529	320
Profit before tax multiplied by the standard rate of tax in the Republic of Ireland of 12.5% (2012:12.5%)	191	40
Expenses not deductible/income not taxable	64	146
Utilisation of previously unrecognised tax losses	(50)	(513)
Difference in effective tax rates on overseas earnings	75	34
Recognition of deferred tax asset on tax losses forward	(403)	(840)
Tax losses for which no deferred tax asset was recognised	4	363
Other	48	(31)
Income Tax credit	(71)	(801)

(b) Deferred Tax

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The net deferred income tax asset comprises a deferred tax asset recognised on losses less a deferred tax liability on capitalised development expenditure (which is offset against the deferred tax asset as they are in the same tax jurisdiction).

	2013	2012
	US\$'000	US\$'000
Deferred tax asset on losses carried forward	2,584	2,511
Deferred tax liability on capitalised development expenditure	(1,518)	(1,671)
At 31 December	1,066	840

US\$330,000 of the opening deferred tax asset has been used to reduce current tax payable in Ireland in respect of taxable profits of Datalex (Ireland) Limited in 2013. At 31 December 2013, the Group has recognised an additional deferred tax asset on unutilised tax losses in Ireland of US\$403,000.

The deferred tax asset has been recognised on the basis of the profitability of Datalex (Ireland) Limited and the fact that this is underpinned by contracts that went live in 2012 and 2013 and further new contracts that will go live in 2014. In particular the directors consider that, having regard to taxable profits arising in each year since 2011 and the profits expected to arise over the period of existing contracts, that it is probable that there will be sufficient taxable profits against which to utilise unused tax losses to an extent that a deferred tax asset of US\$1.1m should be recognised. The Group has a history of generating losses prior to 2012 and the directors have exercised significant judgement in assessing the balance recognised.

There are unrecognised deferred tax assets on losses forward, R&D credits and temporary differences of approximately US\$3.7m (2012: US\$4.7m) in Ireland and the directors will continue to evaluate their expectation on realisation of the tax benefit through future taxable profits. At the balance sheet date the directors consider that there is not convincing evidence that the losses carried forward in other jurisdictions amounting to US\$81.2m (2012: US\$81.6m) will be recoverable in the foreseeable future. The directors do note that they expect their US subsidiary, on the back of a new contract entered into late 2013, to generate sustainable future taxable profits, but there is not convincing evidence to meet the necessary test for part recognition of its US tax losses as a deferred tax asset at 31 December 2013.

Deferred tax assets have not been recognised in respect of the following:

	2013	2012
	US\$'000	US\$'000
Unused tax losses	28,269	28,678
R&D credits available	2,151	2,320
Temporary differences	858	1,541
Total	31,278	32,539

The unrecognised deferred income tax assets in respect of losses amounting to US\$28.3m (2012: US\$28.7m) is mainly in respect of unused tax losses of US\$70.1m (2011: US\$70.4m) in Datalex USA, of US\$11.1m (2012: US\$11.2m) in Teamwork Solutions Limited and of US\$Nil (2012: US\$1.5m) in Datalex (Ireland) Limited. The R&D credits are mainly available in Datalex (Ireland) Limited.

19 – EARNINGS PER SHARE

Basic	2013	2012
Profit attributable to ordinary shareholders (US\$'000)	1,600	1,121
Weighted average number of ordinary shares outstanding	71,339,376	70,315,704
Basic earnings per share (in US\$ cents)	2.24	1.59

Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased/issued by the Company and held as treasury shares on the basis that there is further consideration receivable in respect of these shares (at 31 December 2013: 780,000 shares; at 31 December 2012: 1.56m shares).

Diluted	2013	2012
Profit attributable to ordinary shareholders (US\$'000)	1,600	1,121
Weighted average number of ordinary shares outstanding	71,339,376	70,315,704
Adjustment for share options	3,982,188	4,538,587
Weighted average number of ordinary shares outstanding	75,321,563	74,854,292
Diluted earnings per share (in US\$ cents)	2.12	1.50

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The categories of dilutive potential ordinary shares of the Group are employee share options and JSOP awards. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of subscription rights attached to outstanding share options. As at 31 December 2013, 780,000 JSOP awards and 2.92m share options subject to performance conditions (31 December 2012: 1.56m JSOP awards and 1.57m share options) have not been included in the calculation of diluted EPS as the related performance conditions have not been met. The number of shares calculated as above is compared with the number of shares that would have issued assuming the exercise of the share options.

20 – CASH GENERATED FROM / (USED IN) OPERATIONS

	Group		Company	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
Profit/(Loss) before income tax	1,529	320	(13)	(51)
Adjustments for:				
Interest received	(85)	(57)	-	-
Interest paid	74	94	-	-
Depreciation	934	680	-	-
Amortisation	4,420	4,724	-	-
Employee Share Option charge	650	207	-	71
Loss on disposal of fixed assets	-	1	-	-
Foreign currency gains/(losses) on operating activities	51	(78)	-	-
Changes in Working Capital:				
Trade and other receivables	(2,486)	656	(1,708)	910
Trade and other payables	889	143	-	-
Cash generated from / (used in) operations	5,976	6,690	(1,721)	930

21 – RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

(a) Key management personnel includes the two Executive Directors who held office during the year, the Non-Executive Directors and eight members of the senior management team.

The remuneration of and transactions with all directors have been disclosed in the Remuneration Report.

Key management compensation	2013 US\$'000	2012 US\$'000
Salaries, directors' fees and other short-term employee benefits ⁽¹⁾	2,886	2,708
Post employment benefits	115	76
Termination benefits ⁽²⁾	-	449
Share based payments	570	170
	3,571	3,403

⁽¹⁾ Includes US\$182,548 (2012: US\$79,164) relating to fees arising on a 12 month consultancy agreement with NGCS Works Ltd, a company controlled by Cormac Whelan, for the provision of consultancy services with effect from September 2012.

⁽²⁾ The termination benefits comprise of a termination package for Cormac Whelan who resigned as Executive Director and Chief Executive Officer of the Company on 25 June 2012. This consisted of notice pay of six months salary of €143,000 (US\$188,674), and an ex gratia payment of €197,500 (US\$260,582). Final settlement of circa US\$420,000 due to Cormac Whelan was paid in 2013 by mutual agreement.

21 – RELATED PARTY TRANSACTIONS

CONTINUED

(b) Peter Lennon, Non-Executive Director, provides legal services to the Group through, Maples and Calder. Legal services rendered by Maples and Calder for the year ended 31 December 2013 amounted to US\$139,964 (2012: US\$10,000).

Non-Executive Directors fees of US\$110,328 (2012: US\$37,735) were accrued at the year end.

Company

As at 31 December 2013, the Company had a balance of US\$3,422,000 (2012: US\$1,695,000) due to it from other Group companies. This balance relates to payments made by the Company on behalf of one of its subsidiaries.

Amounts owed by Group undertakings are interest free, unsecured and are repayable on demand. The Board has reviewed these amounts for impairment. Following this review, no provision for impairment was deemed necessary.

22 – CONTINGENCIES

Government Grants

The Group has received grants from the government agencies in respect of R&D. Under certain circumstances, these amounts may be repayable. The contingent liability existing at 31 December 2013 amounted to US\$0.2m (2012: US\$0.5m).

Litigation and disputes

The Group is engaged in litigation arising in the normal course of its business. Management does not believe that any such litigation would impact the Group to any material extent, and that possibility of any outflow in settlement is remote.

23 – COMMITMENTS

(a) Operating leases

The Group lease offices and equipment under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

Lease rentals in respect of these offices, amounting to US\$0.9m (2012: US\$1m) and equipment amounting to US\$0.1m (2012: US\$0.1m) are included in the income statement.

Future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2013	2012
	US\$'000	US\$'000
Within one year	924	861
Within two to five years	2,485	2,091
Over five years	1,370	-
	4,779	2,952

23 – COMMITMENTS

CONTINUED

(b) Capital commitments

The Group had no capital commitments at 31 December 2013 (2012: US\$ Nil).

24 – COMPANY ONLY INCOME STATEMENT

In accordance with section 148(8) of the Companies Act, 1963 and section 7(1)(A) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting and from filing it with the Registrar of Companies. The Company's loss for the financial year is US\$13,000 (2012: Loss of US\$187,000).

25 – FINANCIAL RISK MANAGEMENT

Financial risk management

The Group and Company's operations expose it to a variety of financial risks including interest rate, foreign exchange, credit and liquidity risk. The Group has in place a risk management programme that seeks to manage the financial exposure of the Group. The Group uses derivative financial instruments to manage certain risk exposures. Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies are set by the Board of Directors and are implemented by the Group's finance department.

Market rate risk

Market rate risk refers to the exposure of the Group's financial position to movements in interest rates, currency rates and general price risk. The principal aim of managing the currency risk is to limit the adverse impact on shareholders' value of movement in currency rates. The Group has limited exposure to interest and price risk.

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, in the normal course of business primarily with respect to the Euro and Sterling. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The main exposure at 31 December 2013 relates to Euro monetary assets totalling US\$7.0m (2012: US\$6.2m), and Sterling monetary assets totalling US\$0.7m (2012: US\$1.8m).

To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group uses forward contracts and has excellent facilities in place with its bank. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the US Dollar. There were no outstanding forward foreign exchange contracts at year end 31 December 2013 (2012: US\$2.0m). The fair value for these outstanding foreign exchange contracts at 2012 was a receivable of US\$0.1m.

Forward foreign exchange contracts	Less than 1 Yr	Between 1-2 Yrs	Between 2-5 Yrs	Total
2012	US\$'000	US\$'000	US\$'000	US\$'000
Outflow	1,834	-	-	1,834
Inflow	1,979	-	-	1,979
2013				
Outflow	-	-	-	-
Inflow	-	-	-	-

At 31 December 2013, if the Euro had strengthened by 10% against the US dollar with all other variables held constant, post-tax profit for the year would have been US\$0.6m higher (2012: US\$1.0m higher) mainly as a result of foreign exchange gains/losses on translation of Euro-denominated trade receivables, trade payables and cash.

(ii) Interest rate risk

The principal aim of managing the interest rate risk is to limit the adverse impact on cash flows and shareholder value of movements in interest rates. Cash and cash equivalents at variable rates expose the Group to cash flow interest rate risk. Cash and cash equivalents at a fixed rate expose the Group to fair value interest rate risk. The Group treasury policy is designed to monitor the funding requirements of the business. Cash requirements are managed centrally and reviewed on a daily basis. Excess funds are placed on short-term (less than 3 months) deposit while ensuring that sufficient cash is available on demand to meet expected operational requirements. The interest rate on floating rate deposits of US\$3.9m at 31 December 2013 (2012: US\$5.2m) is generally based on the appropriate Euribor or Libor rate.

The directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Interest rate sensitivity analysis

At 31 December 2013, based on the cash balances held at the balance sheet date which earn interest, if interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group profit after tax for the year would have been higher or lower by US\$0.1m (2012: US\$0.1m).

(iii) Price risk

The Group is not exposed to material price risk.

Credit risk

Credit is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group treasury policy is designed to limit exposure with any one institution and to invest its excess cash in low risk investment accounts with authorised banking counter-parties. The Group has not experienced any losses on such accounts.

The Group has implemented policies that require appropriate credit checks on potential customers before sales are made and monitors the exposure to potential credit loss on a regular basis. The utilisation of credit limits is regularly monitored. During the year ended 31 December 2013, a significant portion of the Group's revenue was derived from a limited number of customers.

The credit quality of cash and cash equivalents, can be assessed by reference to S&P or Fitch credit ratings of the counterparties in the following table:

	2013	2012
Cash and cash equivalents	US\$'000	US\$'000
A	23	1,069
A-	2,992	3,643
BBB+	154	714
BBB- *	1,943	1,311
BB+	1,278	1,763
B	10,488	6,000
Not Rated	-	128
	16,878	14,628

*The credit quality of cash and cash equivalents for this financial institution can be assessed by reference to Fitch credit ratings.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

It is Group policy to maintain at all times, access to sufficient resources to meet all short term financial obligations.

The analysis below summarises the Group's financial liabilities (based on contractual undiscounted cash flows) into relevant maturity group on the remaining period as at the reporting date:

Trade Payables, Accruals and Borrowings	Less than 1 Yr	Between 1-2 Yrs	Between 2-5 Yrs	Total
	US\$'000	US\$'000	US\$'000	US\$'000
At 31 December 2013	5,210	335	1	5,546
At 31 December 2012	5,142	494	19	5,655

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The capital comprises mainly of issued capital, reserves and retained earnings as set out in Note 9 and Note 10 to these financial statements.

Cash flow risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

26 – SUBSEQUENT EVENTS

At a meeting held on 10 March 2014, the Board of Directors of the Company have proposed a final dividend of two US cents per share (2012: Nil) be paid to the Shareholders in respect of the full year 2013. The total dividend to be paid is circa US\$1.5m (2012: Nil). In accordance with the accounting policy under IFRS set out in Note 2.23, this dividend has not been included as a liability in these financial statements. The proposed final dividend is subject to approval by Shareholders at the Annual General Meeting and also subject to approval and payment of dividends in Datalex (Ireland) Limited in order to create sufficient distributable reserves prior to the payment of the dividend in Datalex (Ireland) Limited.

There have been no other subsequent events that impact on the 2013 financial statements up to the date of this report.

27 – RECENT ACCOUNTING PRONOUNCEMENTS

(a) New and amended standards adopted by the Group

Amendments to IAS 1: The amended IAS 1, Presentation of Financial Statements, requires the grouping of items of other comprehensive income that may be reclassified to profit or loss at a future point in time separately from those items which will never be reclassified. The revised standard, which has been adopted by the Group with effect from 1 January 2013, affects presentation only and does not impact the Group's financial position or performance.

There are no other IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2013 that would be expected to have a material impact on the Group.

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. None of these standards and amendments for standards and interpretation, which are expected to be applied by the Group as they become effective, are expected to have a significant effect on the consolidated financial statements of the Group:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments.

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent Company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard was EU endorsed on 29 December 2012, and is effective for EU adopted IFRS preparers in financial periods beginning on or after 1 January 2014. IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12.

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. IFRS 11 also made a number of consequential amendments to IAS 28, 'Investments in associates and joint ventures'.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

27 – RECENT ACCOUNTING PRONOUNCEMENTS

CONTINUED

Amendment to IAS 32, 'Offsetting financial assets and financial liabilities'. The amendment was EU endorsed on 29 December 2012, and is effective for EU adopted IFRS preparers in financial periods beginning on or after 1 January 2014. The amendment clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

Amendment to IFRS 10 and IFRS 12, 'Investment Entities', (effective for financial periods beginning on or after 1 January 2014). The amendment was EU endorsed on 20 November 2013, and is effective for EU adopted IFRS preparers in financial periods beginning on or after 1 January 2014. The amendment provides certain consolidation exemptions to funds and similar entities from consolidating controlled investees in certain circumstances.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.





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