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Deal Review  
Software and Technology



BAKER TILLY

Investors and buyers are once again combing the software and technology sectors in search of acquisition and investment opportunities.

The software sector was particularly hard hit by the boom and bust of the dot com era. Companies that watched their valuations rise to sky high levels on the back of a frenzied rush to exploit the internet were caught in a reverse wave as investor interest all but evaporated. Up until the global economic meltdown the sector was enjoying a renaissance and valuations were on the up. The trend was driven in part by acquisitive corporate buyers. However these same businesses are now battenning down the hatches and in the main, the appetite for taking risks has diminished.

However, it's not all doom and gloom. Established software businesses are in a better position than most to withstand a downturn. Their business model of high recurring revenues and ability to turn profits into cash will stand them in good stead. Selective sectors will continue to be attractive. Software solutions are now seen as integral to the delivery of both customer service and internal functions, such as HR and compliance. Meanwhile, the big consultancies have also looked to maintain a competitive edge in vertical markets such as insurance, travel and the public sector.

In the technology sector, one dominating theme is the environment. With climate change and volatile fuel prices at the top of the international agenda, technologies that offer ways and means to cut CO2 emissions, find alternative sources or use energy more efficiently are generating interest not seen since the dot com heyday. Perhaps that's not surprising, but the technology boom goes much further than the issue of soaring oil prices.



For instance, the European Directive on Landfill has created a market for technologies that reduce the amount of waste consigned to the earth. All this means there are opportunities for businesses seeking investment, working towards a buy-out or looking for acquisitions. Valuations are holding up, even in the current uncertain economic climate and buyer interest is international in its scope.

Baker Tilly's experience in the software and technology sectors makes us ideally placed to help you take advantage of the current conditions. In the following pages we showcase just a handful of our recent deals and you can see what our clients have to say about our talented people and how we added value in each of their transactions. Whether it was a trade sale, buy-out, acquisition or IPO, they all had one thing in common. Deals were delivered effectively by the Baker Tilly team. We hope that this review will illustrate the excellent service offered to shareholders, management teams and financial institutions by our specialist team of deal doers. We would also like to thank everyone who has helped make these transactions happen and we look forward to working together over the coming months and years in an exciting market.

**Kirsty Sandwell** Software and Technology  
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Client: **Vendor**

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Transaction type: **Sale**

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Sector: **Technology**

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## Sale of Wilson Taylor Asia Pacific

Wilson Taylor Asia Pacific Pte Ltd (WTAP), a leading provider of corrosion control solutions based in the Far East was sold to APS Dubai, a Middle Eastern supplier of pipeline services and industrial coatings backed by a Dubai based institution.

Wilson Taylor provides a comprehensive range of anti-corrosion products and services to the marine, offshore, FPSO (floatation production storage and offloading) and industrial sectors. Its corrosion control solutions ensure infrastructures are preserved, reducing leaks and oil spillages and helping to ensure the long term protection of the local natural environment. The deal enables Wilson Taylor to strengthen its position in the Middle East and in particular the fast growing FPSO market.

“Baker Tilly acted in a highly professional manner throughout the process and handled the various cultural and legislative differences very well. They gained a fast understanding of our very niche business to approach companies from all over the world. I was particularly impressed that they were involved all the way through the transaction.”

**Christopher Westcott**

Chairman

Wilson Taylor Asia Pacific Pte Ltd

**Our role**

Baker Tilly managed a competitive process and led negotiations on behalf of the vendor.

Baker Tilly introduced the vendor to legal advisers in Singapore, coordinated site visits and managed the process to completion across three time zones. The sale was led by Ali Aneizi.

Client: **Company**

Transaction type: **IPO**

Sector: **Technology**



## Flotation of Nviro Cleantech Plc

Nviro Cleantech Plc was admitted to AIM in August 2007, successfully raising funds totalling £7.5m.

Nviro is the holding company for a portfolio of five development stage technology projects within the Clean Technologies arena. These include renewable energy, waste recycling, emissions control and air quality monitoring.

Nviro is focused on commercialising technologies initially developed by universities or small private developers. Nviro's lead technology is a process to cleanse low quality coal and biomass to produce high-grade, Anthracite - like fuel.

The proceeds of the placing are intended to fund the development of Nviro's current projects including clean energy, air quality and recycling.

### **Our role**

Baker Tilly acted as reporting accountants for the successful admission of the company to AIM. The reporting accountant work was led by Chilton Taylor.

“The Baker Tilly team added value throughout the IPO process, their experience providing solutions to problems that inevitably arise during a flotation. They showed the flexibility and proactive attitude which helped us to steer the company to a successful IPO.”

### **Peter Rugg**

Finance Director  
Nviro Cleantech Plc

Client: **Vendor**

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Transaction type: **Sale**

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Sector: **Software**

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## Sale of Mi Limited

Mi Limited, the insurance software provider, was sold to Open GI, the insurance software house backed by Montagu Private Equity.

The acquisition of Mi further strengthened Open GI's portfolio of solutions to the insurance sector and crucially gave it an entrance to the London insurance market.

### **Our role**

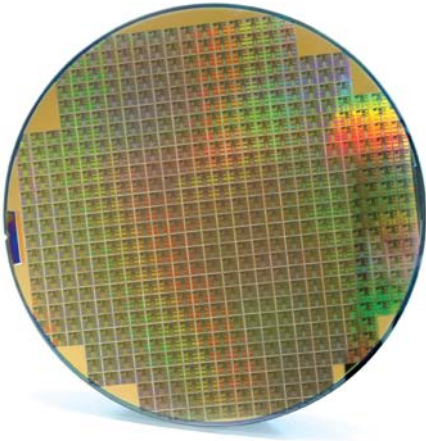
Tony Colborne and Liam Flavelle of Mi approached Baker Tilly having initially attended one of our seminars. We conducted an aggressive but controlled auction process, undertaking far-ranging purchaser research - over 120 businesses were considered and vetted. 31 companies in 6 different countries were approached.

Having received a number of offers, we negotiated a significant increase of 25% in value from the highest initial offer. Despite them being involved in the business and holding key relationships with clients we were able to deliver an all cash deal to the founders. The deal was led by Rob Donaldson and Kirsty Sandwell.

“Baker Tilly provided excellent guidance and advice through the process of the transaction. They provided close personal care and attention and made us feel like an important client. Baker Tilly was extremely helpful in maintaining the relationship and clear understanding with the purchaser to ensure the transaction was a success.”

### **Tony Colborne**

Chief Executive  
Mi



## Flotation of Medicsight Plc

Medicsight Plc was admitted to AIM via a private placing in June 2007, successfully raising funds totalling £32m.

Medicsight is a medical imaging software development company and one of the world's leading developers of enterprise-wide computer-aided detection (CAD) software, which analyses computer tomography (CT) scans for the early detection and measurement of lung lesions and colorectal polyps.

The flotation is intended to assist the company in fulfilling its strategy of signing new distribution agreements, investing in new distribution channels, improving clinical awareness and validation and introducing additional products.

### **Our role**

Baker Tilly acted as the reporting accountants in the successful admission of the company to AIM. The reporting accountant work was led by Kevin Denham and Diane Gwilliam.

“Our IPO moved quickly, we needed experienced advisors with cool heads and the ability to get the job done. Baker Tilly were part of that team from the start. Issues were cleared out of the way early, and their previous IPO experience helped in the tense moments.”

### **Allan Rowley**

Finance Director  
Medicsight Plc

Client: **Vendor**

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Transaction type: **Sale**

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Sector: **Software**

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## Sale of Plantech Limited

Plantech Ltd, one of the UK's leading suppliers of planning software solutions and consultancy to local authorities, was sold to IDOX Plc, the AIM listed specialist information and knowledge management company.

Plantech provides over 360 systems to more than 60 UK local authorities including Kensington and Chelsea, Blackpool, Southwark, Manchester City and the Olympic boroughs of Tower Hamlets and Greenwich.

### **Our role**

Rob Anderson, the co-founder and majority shareholder, approached Baker Tilly to sell the business after a recommendation from lawyers Memery Crystal.

Baker Tilly enabled the founding shareholders to exit the business with cash in full at completion. The deal team was led by Kirsty Sandwell.

“We were particularly concerned to find a happy home for a company which we had built up over 25 years and Baker Tilly understood our concerns as well as our ambitions.”

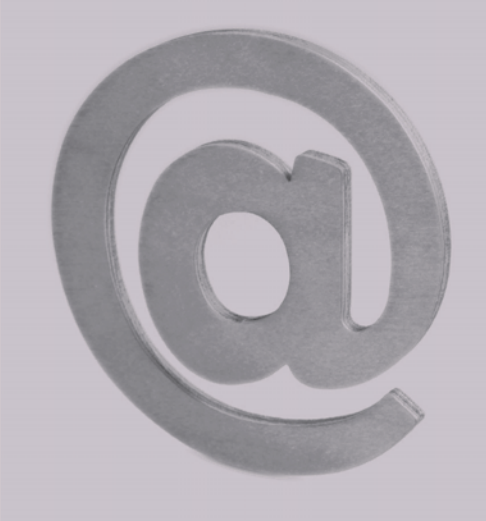
### **Rob Anderson**

Managing Director  
Plantech Ltd

Client: **Company**

Transaction type: **IPO**

Sector: **Software**



## Flotation of Globo Plc

Globo Plc, the parent company of Athens-based Globo Technologies SA was admitted to AIM in December 2007 successfully raising funding with investors in the UK and Greece.

Globo has grown to be a market leading Greek software and computer services company specialising in e-business and telecom software products, including internal portals and wireless internet services. Their client base includes SMEs, large corporate and public sector organisations across Greece and the EU.

Globo's listing aims to fund expansion within both domestic markets and new markets in neighbouring countries and South East Europe.

### **Our role**

Baker Tilly acted as the reporting accountants in the successful admission of the company to AIM. The transaction involved close liaison with Baker Tilly network member Baker Tilly Hellas in Greece to oversee the client's conversion to international financial reporting standards. The reporting accountant work was led by Paul Watts.

"Baker Tilly has been one of the key elements not only for our successful IPO but also for helping the company build procedures and a deep understanding of the financial dynamics required by all growth companies. Thank you so much for your great professional job."

**Costis Papadimitrakopoulos**

Managing Director  
Globo Plc

Client: **Management team**

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Transaction type: **Buy-out**

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Sector: **Software**

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## Buy-out of Marshal Software

The management team of Marshal Software, the internet security software providers, undertook a management buy-out, acquiring the suite of products from NASDAQ-listed NetIQ. The management team were backed by Kelso Place Asset Management.

Marshal helps protect businesses against internet threats, such as email and web viruses, spam and inappropriate content. Marshal also helps organisations meet regulatory compliance requirements such as Sarbanes-Oxley and Basel II, through monitoring and managing email and web access. Clients include multinational and governmental organisations such as NASA, Nike, Goldman Sachs and Baker Tilly.

“This was a complicated global transaction that required advisers with creativity, determination and focus. We couldn’t have wished for better advice and support in helping us find the right funding partner and conclude this deal.”

**Ed Macnair**  
CEO  
Marshal Software

### **Our role**

Baker Tilly were approached by Ed Macnair, then the head of worldwide sales for the Marshal Software product line in June 2005. Marshal was an ‘unloved’ product within Net IQ’s portfolio with no dedicated infrastructure or staff.

To ensure a deal happened, Baker Tilly had to find funders with sufficient appetite to take on what was a complex and risky transaction. We identified Kelso Place because of their track record in working with their investee companies on a day to day basis helping them set up their operations. As part of the deal the original development team based in Auckland were recruited with further offices secured across three continents. The deal was led by Rob Donaldson and Kirsty Sandwell.



## Flotation of Westminster Group Plc

Westminster Group Plc was admitted to AIM in June 2007, successfully raising funds with city institutions and strategic investors.

Westminster Group Plc supplies system solutions and products to the security, defence, fire protection and safety markets. The majority of the group's customer base comprises governments and government agencies, non governmental organisations and blue chip commercial organisations.

In recent years Westminster has devoted much of its efforts to building an international presence. The Group currently has a network of some 60 agents and distributors operating in over 40 countries. Westminster's principal markets outside the UK are in Africa, the Far East and Middle East.

### **Our role**

Baker Tilly acted as the reporting accountants in the successful admission of the company to AIM. The reporting accountant work was led by Paul Watts.

"I would like to record my appreciation to you and all your team for a job well done and professionally executed. I most certainly would have no hesitation in recommending BT should the occasion arise and likewise I look forward to an ongoing working relationship with you all."

**Peter Fowler**

CEO

Westminster Group Plc

Client: **Company**

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Transaction type: **IPO**

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Sector: **Technology**

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## Flotation of Velti Plc

Greece based Velti Plc was successfully admitted to AIM in May 2006.

Founded in 2000, Velti is a leading telecom platforms and services provider enabling mobile phone marketing, advertising and value-added services for advertising agencies and brands, media groups, mobile operators and large enterprises. With offices in London, New York, Boston, San Francisco, Paris, Athens, Munich, Moscow and Sofia, Velti operates in 16 countries and provides services to more than 100 high profile corporate clients such as Vodafone, CBS and Motorola.

“Baker Tilly has been a significant contributor to our successful IPO and to our life as a public company. Through their international network and their breadth of services and areas of expertise they have added value to our international expansion and to the development of group policies and procedures in support of our growth.”

**Pantelis Papageorgiou**

Finance Director  
Velti Plc

**Our role**

Baker Tilly acts as the reporting accountants and auditors to Velti, with local audit work being carried out by Baker Tilly Hellas AE in the successful admission of the company to the AIM market. Velti is one of the first Greek businesses to IPO on AIM. The reporting accountant work was led by Paul Watts.

Client: **Management**

Transaction type: **Buy-out**

Sector: **Software**



## Buy-out of Information Processing Limited

The management team of Bath-based Information Processing Limited (IPL), the software consultancy, undertook a buy-out, acquiring the company from the founding shareholders. Funding for the deal was provided by Barclays Commercial Bank

IPL was founded in 1979 and specialises in providing mission and business critical software, systems and consultancy services to companies in the mobile telecoms, transport and defence industries including EADS, Alcatel and Pioneer.

### **Our role**

Baker Tilly provided due diligence for the buy-out, led by John Banks.

“The approach and professionalism of Baker Tilly was a key factor in achieving our goal in a complex deal under considerable time pressure”.

### **Jon Carter**

Finance Director  
IPL

Client: **Company**

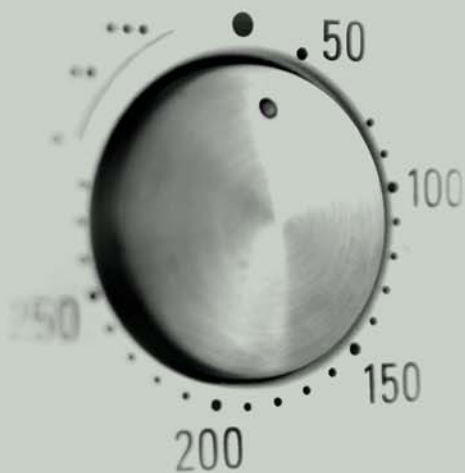
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Transaction type: **IPO**

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Sector: **Technology**

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## Flotation of Sabien Technology Plc

Sabien Technology Group Plc, the UK-based green technology group, floated on AIM in December 2006.

Sabien was founded in March 2004 and specialises in providing proven and commercially viable technology to reduce carbon emissions and energy usage for private and public organisations, with a particular emphasis on the energy, telecoms and technology sectors. Clients include Tesco, Sony and Mitsubishi.

The purpose of the fund raising was principally to enable Sabien to increase the scale of its UK operations, to expand into European markets and to further its product development.

### **Our role**

Baker Tilly acted as the reporting accountants in the successful admission of the company to AIM. The reporting accountant work was led by Stephen Orriss.



## Buy-out of Applied Scintillation Technologies

The management team of Applied Scintillation Technologies (AST), the imaging technology developer, undertook a buy-out, acquiring Levy Hill Group's stake in AST through a new enterprise, TQ Scientific.

AST is a leading provider of advanced imaging and detection solutions using the latest in phosphor and scintillation technology. They provide advanced scintillation solutions across global markets as diverse as medical and dental imaging, security screening, biosciences, non-destructive testing and scientific instrumentation.

The transaction enabled decision making to become more streamlined and responsive, resulting in the team being able to grow turnover and earnings at unprecedented rates.

### **Our role**

Baker Tilly provided due diligence services to both the bank and TQ Scientific, including guidance and advice through the process helping to maintain the relationship and a clear understanding between the vendor and bank to ensure the transaction was a success.

Following the transaction, Baker Tilly were appointed auditors and tax advisers to the new group. The deal was led by Stephen Orriss.

# Baker Tilly Corporate Finance

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## About Baker Tilly

Baker Tilly is a leading independent firm of accountants and business advisers that specialises in providing an integrated range of services.

We provide our growing and established business clients with audit, accountancy, personal and corporate taxation, VAT, management consultancy, corporate finance, IT advisory and restructuring and recovery services.

The firm has national coverage through its network of offices and is represented internationally through its independent membership of Baker Tilly International.



an independent member of

**BAKER TILLY**  
INTERNATIONAL

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