

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

AMENDMENT No.1 to FORM 8-K/A

CURRENT REPORT

**Pursuant to Section 13 or
15(d) of the
Securities Exchange Act of 1934**

Date of Report: July 01, 2012
(Date of earliest event reported)

Asure Software, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-20008
(Commission File
Number)

74-2415696
(IRS Employer
Identification Number)

110 Wild Basin Rd
Austin, TX
(Address of principal executive offices)

78746
(Zip Code)

512-437-2700
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Explanatory Note: We are filing this Amendment No. 1 to our Form 8-K/A filing to correct certain information relating to the unaudited and pro forma financial information included therein. For the reader's convenience, we are refiling in this document all information from the original 8-K/A filing.

This Form 8-K/A is filed as an amendment to the Current Report on Form 8-K filed by Asure Software, Inc. on July 6, 2012. This Amendment is being filed to include the financial statements of PeopleCube BV, d/b/a PeopleCube and pro forma information listed below.

Item 9.01 Financial Statements and Exhibits

- (a) Financial statements of businesses acquired.
 - (1) Exhibit 99.1 - Audited Financial Statements for PeopleCube as of and for the years ended December 31, 2011 and 2010 and the accompanying Report of Independent Auditors; and
 - (2) Exhibit 99.2 - Unaudited Financial Statements for PeopleCube as of and for the six months ended June 30, 2012 and 2011.
- (b) Pro forma financial information—Included herein as Exhibit 99.3 are the unaudited pro forma condensed combined Balance Sheet as of June 30, 2012 and the pro forma condensed combined Statements of Operations for the twelve months ended December 31, 2011 and six months ended June 30, 2012.
- (c) Exhibits.

Exhibit	Description
23.1	Consent of McGladrey LLP
99.1	Audited Financial Statements for PeopleCube as of and for the years ended December 31, 2011 and 2010 and the accompanying Report of Independent Auditors.
99.2	Unaudited Balance Sheet for PeopleCube as of June 30, 2012 and Income Statement and Cash Flows for the six months ended June 30, 2012 and 2011.
99.3	Asure Software, Inc. unaudited pro forma condensed combined Balance Sheet as of June 30, 2012 and the condensed combined Statements of Operations for the six month period ended June 30, 2012 and the fiscal year ended December 31, 2011 with respect to the acquisition of PeopleCube.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ASURE SOFTWARE, INC.

Date: September 21, 2012

By: /s/Patrick Goepel
Patrick Goepel
Chief Executive Officer

EXHIBIT INDEX

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99.2	<u>Unaudited Balance Sheet for PeopleCube as of June 30, 2012 and Income Statement and Cash Flows for the six months ended June 30, 2012 and 2011.</u>
99.3	<u>Asure Software, Inc. unaudited pro forma condensed combined Balance Sheet as of June 30, 2012 and the condensed combined Statements of Operations for the six month period ended June 30, 2012 and the fiscal year ended December 31, 2011 with respect to the acquisition of PeopleCube.</u>

Consent of Independent Auditor

We consent to the incorporation by reference in the Registration Statements (No. 333-77733, 333-44533, 333-48885, 333-28499, 333-51822, 333-64212, 333-65472, 333-65464, 333-95754, 333-65478) on Form S-8 of Asure Software, Inc. of our report dated September 12, 2012, relating to our audits of the consolidated financial statements of PeopleCube Holding BV d/b/a PeopleCube as of and for the years ended December 31, 2011 and 2010, included in this Current Report on Form 8-K/A. Our report dated September 12, 2012 relating to the consolidated financial statements includes an emphasis paragraph relating to an uncertainty as to PeopleCube Holding BV d/b/a PeopleCube's ability to continue as a going concern.

/s/ McGladrey, LLP

Boston, Massachusetts

September 24, 2012

PeopleCube Holding BV
d/b/a PeopleCube

Consolidated Financial Statements

Years Ended December 31, 2011 and 2010

PeopleCube Holding BV
d/b/a PeopleCube

CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2011 and 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
PeopleCube Holding BV
d/b/a PeopleCube
Framingham, Massachusetts

We have audited the accompanying consolidated balance sheets of PeopleCube Holding BV d/b/a PeopleCube (the "Company") as of December 31, 2011 and 2010 and the related consolidated statements of operations, changes in stockholders' equity (deficit) and comprehensive loss and cash flows for the years then ended. The consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of PeopleCube Holding BV d/b/a PeopleCube as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and used \$815,185 of cash in operations during the year ended December 31, 2011. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

McGladrey, LLP
September 12, 2012
Boston, Massachusetts

PeopleCube Holding BV d/b/a PeopleCube
Consolidated Balance Sheets
December 31, 2011 and 2010

	December, 31	
	2011	2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 234,479	\$ 867,715
Restricted Cash	386,325	-
Accounts receivable, net	2,347,308	1,244,495
Prepaid expenses and other current assets	113,383	112,744
Total current assets	3,081,495	2,224,954
Property and equipment, net	146,091	158,241
Goodwill	2,696,616	2,027,899
Intangible assets, net	3,113,812	2,963,000
Other assets	55,484	59,271
Total assets	\$ 9,093,498	\$ 7,433,365
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	360,656	210,649
Accrued expenses	528,762	312,109
Capital leases	23,347	28,196
Related parties notes payable	553,410	-
Notes payable	1,003,690	263,333
Deferred revenue	5,492,527	4,229,068
Total current liabilities	7,962,392	5,043,355
Long-term liabilities:		
Capital leases, net of current portion	19,754	19,028
Notes payable, net of current portion	843,221	155,556
Deferred revenue, net of current portion	124,957	248,640
Deferred tax liability	321,621	-
Total long-term liabilities	1,309,553	423,224
Stockholders' equity:		
Common stock, \$.014 par value; 9,000,000 shares authorized; 2,472,550 shares issued, and outstanding at both December 31, 2011 and 2010, respectively	34,616	34,616
Additional paid-in capital	13,608,896	13,318,531
Accumulated deficit	(14,047,832)	(11,518,873)
Accumulated other comprehensive income	225,873	132,512
Total stockholders' equity (deficit)	(178,447)	1,966,786
	\$ 9,093,498	\$ 7,433,365

The accompanying notes are an integral part of these consolidated financial statements.

PeopleCube Holding BV d/b/a PeopleCube
Consolidated Statements of Operations
Years Ended December 31, 2011 and 2010

	Twelve Months December 31, 2011	Twelve Months December 31, 2010
Revenues	\$ 9,095,686	\$ 7,737,657
Cost of sales	<u>1,662,369</u>	<u>1,380,303</u>
Gross Margin	7,433,317	6,357,354
Operating Expenses		
Sales and marketing	4,520,329	3,808,036
Research and development	1,461,591	2,081,180
General and administrative	<u>3,703,698</u>	<u>1,950,186</u>
Total operating expenses	9,685,618	7,839,402
Loss from Operations	(2,252,301)	(1,482,048)
Other expenses		
Other expense, net	116,954	42,554
Interest expense	<u>159,704</u>	<u>59,991</u>
Net Loss	\$ (2,528,959)	\$ (1,584,593)

The accompanying notes are an integral part of these consolidated financial statements.

PeopleCube Holding BV d/b/a PeopleCube
Consolidated Statements of Changes in Stockholders' Equity and Comprehensive Loss
Years Ended December 31, 2011 and 2010

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Other Comprehensive Income/(Loss)</u>	<u>Accumulated Deficit</u>	<u>Total Equity</u>	<u>Comprehensive Loss</u>
	<u>Number of shares</u>	<u>\$.014 Par Value</u>					
BALANCE AT DECEMBER 31, 2009	2,472,550	\$ 34,616	\$ 13,045,222	\$ 119,767	\$ (9,934,280)	\$ 3,265,325	
Stock compensation	-	-	273,309	-	-	273,309	
Cumulative translation adjustment	-	-	-	12,745	-	12,745	12,745
Net loss	-	-	-	-	(1,584,593)	(1,584,593)	(1,584,593)
Comprehensive loss							(1,571,848)
BALANCE AT DECEMBER 31, 2010	2,472,550	\$ 34,616	\$ 13,318,531	\$ 132,512	\$ (11,518,873)	\$ 1,966,786	
Stock compensation	-	-	290,365	-	-	290,365	
Cumulative translation adjustment	-	-	-	93,361	-	93,361	93,961
Net loss	-	-	-	-	(2,528,959)	(2,528,959)	(2,528,959)
Comprehensive loss							(2,435,598)
BALANCE AT DECEMBER 31, 2011	2,472,550	\$ 34,616	\$ 13,608,896	\$ 225,873	\$ (14,047,832)	\$ (178,447)	

The accompanying notes are an integral part of these consolidated financial statements.

PeopleCube Holding BV d/b/a PeopleCube
Consolidated Statements of Cash Flows
Years ended December 31, 2011 and 2010

	<u>Twelve Months December 31, 2011</u>	<u>Twelve Months December 31, 2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (2,528,959)	\$ (1,584,593)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation and amortization	1,102,934	896,558
Stock-based compensation	290,365	273,309
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(771,676)	741,105
Prepaid expenses and other current assets	12,855	(25,708)
Deferred tax asset	(55,733)	-
Increase (decrease) in liabilities:		
Accounts payable	128,781	27,420
Accrued expenses	204,286	(131,269)
Deferred revenue	801,962	310,670
Net cash provided by / (used in) operating activities	(815,185)	507,492
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(47,821)	(75,230)
Acquisitions, net of cash acquired	(699,578)	-
Net cash (used in)/provided by investing activities	(747,399)	(75,230)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on capital leases	(31,306)	(36,320)
Proceeds from on Term loan	1,600,000	-
Repayments on term loan	(632,222)	(631,111)
Proceeds from related parties notes payable	553,410	-
Increase in restricted cash	(386,325)	-
Repayments on acquisition note payable	(286,334)	-
Net cash provided by / (used in) financing activities	817,223	(667,431)
Effect of exchange rates on cash	112,125	8,374
Net decrease in cash and equivalents	(633,236)	(226,795)
Cash and equivalents at beginning of period	867,715	1,094,510
Cash and equivalents at end of period	\$ 234,479	\$ 867,715
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	128,021	72,585
Acquisition, net of cash acquired :		-
Accounts receivable	358,292	-
Prepaid expenses and other assets	11,182	-
Intangible assets	1,160,000	-
Goodwill	668,717	-
Accounts payable and accrued expenses	(28,514)	-
Deferred tax liability	(377,354)	-
Deferred revenue	(346,140)	-
Issuance of acquisition note payable	(746,605)	-
	699,578	
Supplemental disclosure of noncash investing and financing information:		
Purchase of property and equipment under capital lease obligations	26,458	39,145

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF BUSINESS

PeopleCube Holding BV was incorporated under the laws of the Netherlands on July 17, 2007. In July 2007, PeopleCube Holding BV acquired Meeting Maker Holding BV (d/b/a PeopleCube) and its subsidiaries Meeting Maker United States, Inc., incorporated under the laws of the state of Delaware on February 15, 2000, and Meeting Maker Limited, incorporated under the laws of the United Kingdom on September 15, 2005. PeopleCube Holding BV, Meeting Maker Holding BV, Meeting Maker Limited and Meeting Maker Limited's wholly owned subsidiary BusinessSolve Ltd., and Meeting Maker United States, Inc. (collectively, the Company) develop, market and sell software products and services. The Company is a leading provider of workplace, resource and energy management technology. The Company provides scheduling software to optimize space, resources and energy for a sustainable and cost effective workspace.

The Company has suffered recurring net losses in 2011 and 2010, and has an accumulated deficit of \$14,047,832 at December 31, 2011. Additionally, the Company used net cash in operating activities of \$815,185 during the year ended December 31, 2011. As of December 31, 2011 the Company has a working capital deficit of \$4,880,897 and the Company's existing cash and cash equivalents are insufficient to fund our operations for the next twelve months. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company's current operations are dependent on generating cash flow from operations and the continued support of its existing investors and lenders. Should the current investors and lenders curtail or eliminate financial support, the Company would need to seek outside sources of capital to continue operations. As discussed in Note 11, in July 2012, the Company sold all issued and outstanding shares of Company's operating subsidiary Meeting Maker United States Inc. in exchange for a combination of cash and shares of the acquirer. However, there can also be no assurances that PeopleCube Holding, BV will meet its planned operations or that it would be successful in obtaining additional equity or debt financing on terms favorable to the Company, if at all.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements reflect the application of certain significant accounting policies, as described in this note and elsewhere in the accompanying consolidated financial statements and notes.

Basis of Presentation

The financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets generally accepted accounting principles ("GAAP") to ensure financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification ("ASC").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Principles of Consolidation

The accompanying consolidated financial statements include the results of operations of PeopleCube Holding BV and its wholly owned subsidiaries, Meeting Maker Holding BV, Meeting Maker Limited and Meeting Maker Limited's wholly owned subsidiary BusinessSolve Ltd., which was acquired in February, 2011 (Note 3), and Meeting Maker United States, Inc. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP in the United States requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates included in the financial statements pertain to revenue recognition, the allowance for doubtful accounts receivable, the valuation of long term assets including goodwill, intangibles and deferred tax assets.

Fair Value of Financial Instruments

The Company's financial instruments consist principally of cash and cash equivalents, accounts receivable, accounts payable and notes payable. The carrying value of these instruments approximates their fair value, principally because of the short term maturity of these items.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of 90 days or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is provided for those accounts receivable considered to be uncollectible, based upon historical experience and management's evaluation of the outstanding accounts receivable at the end of the year. Uncollectible amounts are written off against the allowance after all collection efforts have been exhausted. At December 31, 2011 and 2010, the allowance for doubtful accounts was \$236,127 and \$110,548, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

Property and equipment are stated at cost. Assets acquired and improvements thereon are capitalized; ordinary repairs and maintenance are charged to expense as incurred. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Classification	Useful Life
Computer equipment	3-5 years
Furniture and fixtures	7-10 years
Leasehold improvements of lease period or improvement	Shorter of estimated useful life

Intangible Assets

The Company's intangible assets consist of a trademarks, a tradename, technology licenses, customer lists, and a non-compete agreement, all of which were acquired through the 2007 acquisition of Meeting Maker Holding BV and the 2011 acquisition of BusinessSolve, Ltd (see Note 3). Separable intangible assets that are deemed to have a finite life are amortized over their useful lives. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Classification	Useful Life
Trademark and Tradename	8 years
Technology	10 years
Customer lists	5 years
Non-compete agreements	2 years

Long-Lived Assets

The Company accounts for its long-lived assets in accordance with ASC 360, Property, Plant and Equipment. This statement requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to be generated by the asset. As of December 31, 2011 and 2010, the Company has not identified any impairment of its long-lived assets.

Goodwill

Goodwill is evaluated for impairment at least annually, or more frequently, if events or changes in circumstances indicate that an asset might be impaired. Evaluation is performed using a two-step process. The first step compares the book value of the Company's reporting unit to its estimated fair value. The second step of the goodwill impairment test, which is only required when the net book value of the reporting unit exceeds the fair value, compares the implied fair value of goodwill to its book value to determine if an impairment is required.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Goodwill...continued

Determining the fair value of a reporting unit is a judgment involving significant estimates and assumptions. These estimates and assumptions include revenue growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates, and future economic and market conditions. The Company bases its fair value estimates on assumptions that management believes to be reasonable, however actual future results may differ from these estimates. There was no impairment of goodwill for the years ended December 31, 2011 and 2010, respectively.

Revenue Recognition

The Company generates revenue from the sale of perpetual software licenses, maintenance and support services, professional services and software subscription services. In general the Company recognizes revenue when all of the following criteria have been met; (a) persuasive evidence of an arrangement with the customer exists; (b) delivery has occurred or services have been rendered ; (c) the fees for the arrangement are fixed or determinable; and (d) collectability is reasonable assured.

Sales of perpetual software licenses are accounted for in accordance with ASC 985-605, *Revenue Recognition – Software*. Revenue from arrangements where multiple products or services are bundled together under one contract is allocated using the residual method, whereby revenue is attributed first to the undelivered elements (i.e. maintenance and support, and professional services) based on vendor-specific objective evidence (VSOE) of the fair value of the undelivered elements. The remainder of the total contract value is then attributed to the software license. VSOE is based upon the price charged when an element is sold separately. If VSOE does not exist for any of the undelivered elements, the entire arrangement fee is recognized upon delivery of all elements or over the period of the longest service commitment of the arrangement.

Revenue for professional services, including consulting, implementation of perpetual licenses and training, are typically recognized upon performance of the services. Revenue from maintenance and support agreements is recognized ratably over the period of the agreement, which is typically 1 to 3 years.

The Company also licenses its software pursuant to hosted software subscription agreements. Pursuant to these agreements, the customer does not have the contractual right to take possession of the software. Accordingly, these arrangements are accounted for as subscriptions with the fee recognized as revenue ratably over the subscription period. Implementation fees associated with subscription agreements are deferred and recognized over the longer of the contractual term or the estimated period that the customer will use the software.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued**

Research and Development and Software Development Costs

Costs incurred in research and development are expensed as incurred. ASC 985-20, *Software - Costs of Software to be Sold, Leased, or Marketed*, requires capitalization of certain computer software development costs incurred after technological feasibility is established and ceases when the product is available for general release. The establishment of technological feasibility and the ongoing assessment of recoverability of capitalized software development costs require considerable judgment by management concerning certain external factors including, but not limited to, technological feasibility, anticipated future gross revenue, estimated economic life, and changes in software and hardware technologies. There is generally a limited passage of time between achievement of technological feasibility and the availability of the Company's product for general release. Because no significant costs have been incurred during this time, the Company has not capitalized any software development costs to date.

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes*. ASC 740 requires the use of the asset and liability method of accounting for income taxes. The current or deferred tax consequences of a transaction are measured by applying the provisions of enacted tax laws to determine the amount of taxes payable currently or in future years. Deferred tax assets and liabilities are determined based on the difference between the financial statements and tax basis of assets and liabilities and expected future tax consequences of events that have been included in the financial statements or tax returns using enacted tax rates in effect for the year in which the differences are expected to reverse. Under this method, a valuation allowance is used to offset deferred taxes if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets may not be realized. Management annually evaluates the recoverability of deferred taxes and the adequacy of the valuation allowance.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, *Compensation – Stock Compensation*. ASC 718 requires all share-based payments to employees, including grants of employee stock options and modifications to existing stock options and restricted share plans, to be recognized in the statement of operations based on their fair values.

Under the fair-value method, stock-based compensation associated with stock awards is determined based on the estimated fair value of the award itself, measured using either current market data or an established option-pricing model. The Company utilizes the Black-Scholes option pricing model to determine the fair value of options granted and has elected the accrual method for recognizing compensation costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

The determination of the fair value of stock-based payment awards utilizing the Black-Scholes model is affected by the stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. The Company does not have a history of market prices of the common stock as it is not a public company, and as such volatility is estimated using historical volatilities of similar public entities. The expected life of the awards is estimated based on the simplified method. The risk-free interest rate assumption is based on observed interest rates appropriate for the terms of our awards. The dividend yield assumption is based on history and expectation of paying no dividends. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures represent only the unvested portion of a surrendered option and the Company estimates forfeitures based on historical experience.

Stock-Based Compensation...continued

The fair value of stock options issued to employees was measured with the following weighted average assumptions for the years ended December 31:

	<u>2011</u>	<u>2010</u>
Risk-free interest rate	1.5%	1.8%
Expected dividend yield	0%	0%
Expected volatility	85%	75%
Expected life of option	4.75 years	4.75 years

The weighted-average fair value of stock options granted during the years ended December 31, 2011 and 2010, under the Black-Scholes option pricing model was \$2.71 and \$2.08 per share, respectively. For the years ended December 31, 2011 and 2010, the Company recorded stock-based compensation expense of \$290,365 and \$273,709 respectively, in connection with share based payment awards. As of December 31, 2011, there was \$146,856 of unrecognized compensation expense related to non-vested stock awards that is expected to be recognized through 2014.

Comprehensive Loss

ASC 220, *Comprehensive Income*, requires disclosure of all components of comprehensive income (loss). Comprehensive income (loss) is defined as the change in stockholders' equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Comprehensive losses for the years ended December 31, 2011 and 2010 includes the reported net loss, and the change in the cumulative translation adjustment account of \$93,361 and \$12,745, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Foreign Currency Translation

The Company's functional currency is the U.S. dollar. The functional currency of the Company's subsidiaries in the United Kingdom and the Netherlands is the local currency. The Company translates the financial statements of the subsidiaries in the United Kingdom and the Netherlands in accordance with ASC 830, *Foreign Currency Matters*. In translating the accounts of the foreign subsidiary into U.S. dollars, assets and liabilities are translated at the rate of exchange in effect at year end, while stockholders' equity is translated at historical rates. Revenue and expense accounts are translated using the weighted-average exchange rate in effect during the year. Gains and losses from foreign currency translation are credited or charged to accumulated other comprehensive income, included in stockholders' equity (deficit) in the accompanying consolidated balance sheets.

The transaction losses for the years ended December 31, 2011 and 2010 were \$113,070 and \$42,872 respectively; these amounts are recorded in other expense, net, in the consolidated statements of operations for the years then ended.

Concentrations of Credit Risk and Significant Customers

Financial instruments that subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company's cash equivalents are invested in accredited financial institutions and the Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant risk on cash and cash equivalents. Concentration of credit risk with respect to accounts receivable is limited to customers to whom the Company makes significant sales. To control credit risks, the Company performs regular credit evaluations of its customers' financial condition, and maintains allowances for potential credit losses, but does not require collateral or other security to support customer receivables.

For the year ended December 31, 2011, the Company did not have any customer who represented at least 10% of revenue and had one customer who represented 12% of accounts receivable at year end.

For the year ended December 31, 2010 the Company did not have any customer who represented at least 10% of revenue or of accounts receivable at year end.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$111,835 and \$69,754, respectively, for the fiscal years ended December 31, 2011 and 2010.

3. ACQUISITION OF BUSINESSOLVE LTD.

On February 14, 2011, the Company's subsidiary Meeting Maker Limited acquired 100% of the outstanding equity of BusinessSolve, Ltd., a British competitor in the workplace and resource management scheduling software business.

The purchase agreement required a payment of 500,000 GBP (\$800,050 as of February 14, 2011) at closing, plus 500,000 GBP (\$800,050 as of February 14, 2011) to be paid in eight equal quarterly installments beginning April 1, 2011. The Company recorded the future purchase price as a note payable at its estimated fair value of \$746,605, resulting in a \$53,445 debt discount. The debt discount is being accreted to interest expense through the date of the last quarterly payment (see Note 6).

Acquisition related costs which are included in the accompanying consolidated statement of operations for the year ended December 31, 2011 were approximately \$84,000. The purchase agreement also required the Company to fund an escrow account for 250,000 GBP (\$386,325 as of December 31, 2011) to partially secure the future purchase price payments, which has been recorded as restricted cash in the accompanying consolidated balance sheet.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition and have been assigned to BusinessSolve, Ltd.

Cash	\$ 100,472
Accounts receivable	358,292
Prepaid expenses and other assets	11,182
Intangible assets	1,160,000
Goodwill	668,717
Accounts payable and accrued expenses	(28,514)
Deferred tax liability	(377,354)
Deferred revenue	(346,140)
Net assets acquired	<u>\$ 1,546,655</u>

Goodwill arising from the acquisition is largely due to the synergies and economies of scale expected as well as the expansion of the geographic distribution territory and additional product lines that can be distributed to the existing customer base.

The estimated values of current assets and liabilities, excluding deferred revenue, were based upon their historical carrying values on the date of acquisition due to their short-term nature. Deferred revenue was valued at the estimated cost to fulfill the assumed obligations, plus a reasonable profit margin. The Company determined the estimated fair value of the identifiable intangible assets after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates. The value attributed to the identifiable intangible assets included \$100,000 in a trade name, \$720,000 in customer relationships, \$230,000 in acquired technology and \$110,000 in non-compete agreements. The intangible assets are being amortized over a range of two to eight years and a weighted average period of 6 years. Goodwill and identifiable intangibles from the acquisition are not deductible for tax purposes therefore a deferred tax liability of \$377,354 was recorded as a component of the transaction.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2011</u>	<u>2010</u>
Computer equipment and software	\$ 1,084,908	\$ 1,000,254
Furniture and fixtures	51,290	47,316
Leasehold improvements	49,627	44,471
	1,185,825	1,092,041
Less - accumulated depreciation and amortization	<u>1,039,734</u>	<u>933,800</u>
	<u>\$ 146,091</u>	<u>\$ 158,241</u>

Total depreciation expense for the years ended December 31, 2011 and 2010 was \$93,746 and \$92,558, respectively.

5. INTANGIBLE ASSETS AND GOODWILL

Intangible assets consisted of the following at December 31:

	<u>2011</u>	<u>2010</u>
Trademark	\$ 570,000	\$ 570,000
Tradenname	1,330,000	1,230,000
Technology	2,260,000	2,030,000
Customer lists	2,600,000	1,880,000
Non-compete agreements	110,000	-
	6,870,000	5,710,000
Less - accumulated amortization	<u>3,756,188</u>	<u>2,747,000</u>
	<u>\$ 3,113,812</u>	<u>\$ 2,963,000</u>

2012	\$ 881,833
2013	614,375
2014	607,500
2015	513,750
2016	256,501
Thereafter	239,854
Total	<u>\$ 3,113,813</u>

Total amortization expense for the years ended December 31, 2011 and 2010 was \$1,009,188 and \$804,000, respectively.

5. INTANGIBLE ASSETS AND GOODWILL...continued

The change in goodwill during the year ended December 31, 2011 is as follows:

Balance at December 31, 2010	\$ 2,027,899
Acquisition of BusinessSolve (Note 3)	<u>668,717</u>
Balance at December 31, 2011	<u>\$ 2,696,616</u>

6. DEBT

Lines of Credit

In July 2008, the Company entered into a revolving line of credit agreement with a bank that provided for up to \$500,000 of borrowings based upon specified levels of qualified accounts receivable. Borrowings bore interest at the prime rate plus 1.0%. There was no outstanding balance on the line of credit at December 31, 2010, and the line of credit was closed on February 11, 2011.

Notes Payable

In June 2008, the Company entered into a Loan and Security Agreement with a bank for a \$1,300,000 term loan, secured by the Company's assets. The term loan carried interest at the greater of the prime rate, at the time of borrowing, plus 2.25% or 7.00%, and was due in 36 equal monthly installments. As of December 31, 2010, the Company had an outstanding balance on the term loan of \$130,000 and on February 9, 2011 the outstanding balance was repaid in full with proceeds from the term loan entered into on February 8, 2011 that is described below.

In July 2009, the Company entered into a Loan and Security Agreement with a bank for a \$400,000 term loan, secured by the Company's assets. The term loan carried interest at the greater of the prime rate, at the time of borrowing, plus 2.25% or 6.00%, and was due in 36 equal monthly installments. As of December 31, 2010, the Company had an outstanding balance on the term loan of \$288,889, and on February 9, 2011 the outstanding balance was repaid in full with proceeds from the term loan entered into on February 8, 2011 that is described below.

On February 8, 2011, the Company entered into a Loan and Security Agreement with another bank for a \$1,600,000 term loan, secured by all of the Company's assets. The proceeds of the loan were used to repay all then outstanding debt obligations and to fund the acquisition of BusinessSolve, Ltd., as discussed in Note 3. The term loan carries interest at the prime rate plus 3.00% (6.25% as of December 31, 2011), and is due in 30 equal monthly installments beginning on September 1, 2011. As of December 31, 2011, the Company had an outstanding balance on the term loan of \$1,386,667.

6. DEBT...continued

The Company's purchase agreement for BusinessSolve, Ltd. requires the Company to pay 500,000 GBP (\$800,050 as of February 14, 2011) in eight equal quarterly installments beginning April 1, 2011. The payments have no stated interest rate however the Company estimated the fair value of the payments at their net present value of \$746,605, resulting in a \$53,445 debt discount. The debt discount is being accreted to interest expense through the date of the last quarterly payment using the effective interest rate method. As of December 31, 2011, the Company has paid 187,500 GBP (\$286,334) in installments and accreted \$30,810 of the debt discount as interest expense. The carrying value of the future purchase price payments is \$460,244 at December 31, 2011 and is included as a component of notes payable in the accompanying consolidated balance sheet.

Related Parties Notes Payable

In October 2011, the Company entered into a Note Purchase Agreement with certain investors and executives of the Company for an aggregate amount of \$547,500, secured by the Company's assets; the Company received \$532,500 as of December 31, 2011, and the remaining \$15,000 was received in January 2012. The proceeds of the notes were used to fund working capital needs. Each note accrues interest at 12% and a premium of 30% of the principal balance will be paid on the earlier of a sale of substantially all of the Company's stock or assets, or December 31, 2012. The Company is accreting the lenders premium through the stated maturity date of the agreement using the effective interest rate method. For the year ended December 31, 2011, the Company accreted \$20,910 of the premium as additional interest expense and the carrying value of the debt is \$553,410 and recorded as related parties notes payable on the accompanying consolidated balance sheets. The notes are subordinate to the February 8, 2011 term loan described above.

Aggregate future maturities of the Company's debt obligations are as follows as of December 31, 2011:

2012	\$	1,557,100
2013		736,581
2014		<u>106,640</u>
	\$	<u><u>2,400,321</u></u>

7. STOCK OPTION PLAN

In 2008, the Company adopted a stock option plan (the Plan) that provides for the granting of qualified (also known as incentive stock options) and nonqualified stock options to Company directors, officers, employees, and consultants. A total of 505,237 shares of the Company's common stock were issuable under the Plan.

Employee stock option activity for the years ended December 31, 2011 and 2010 for the Plan was as follows:

	<u>Number of Options</u>	<u>Exercise Price Range</u>	<u>Weighted- Average Exercise Price</u>
Outstanding at December 31, 2009	458,496	\$ 2.97 – 5.08	\$ 4.86
Granted	64,000	3.50	2.97
Exercised	-	-	-
Forfeited/cancelled	(65,625)	3.50 – 5.08	4.98
Outstanding at December 31, 2010	456,871	2.97 – 5.08	4.73
Granted	43,000	4.12	4.12
Exercised	-	-	-
Forfeited/cancelled	(12,500)	3.50 – 5.08	4.22
Outstanding at December 31, 2011	<u>487,371</u>	<u>\$ 2.97 – 5.08</u>	<u>\$ 4.44</u>
Exercisable at December 31, 2011	<u>327,428</u>	<u>\$ 2.97 – 6.12</u>	<u>\$ 4.84</u>

The following table summarizes information about stock options outstanding at December 31, 2011:

Exercise Price	Options Vested and Expected to Vest			Options Vested		
	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price
\$ 2.97	26,733	4.59	\$ 2.97	14,889	4.59	\$ 2.97
3.50	52,570	5.28	3.50	29,500	5.28	3.50
4.12	27,252	6.12	4.12	1,000	6.12	4.12
5.08	349,006	4.25	5.08	282,039	3.09	5.08
	<u>455,561</u>	<u>4.50</u>	<u>\$ 4.72</u>	<u>327,428</u>	<u>3.36</u>	<u>\$ 4.83</u>

At December 31, 2011, 17,956 shares remain available for future grant.

8. INCOME TAXES

The Company accounts for foreign, U.S. federal and state income taxes using the liability method, under which deferred tax assets or liabilities are recognized based on temporary differences between the financial statement and tax bases of assets and liabilities using the currently enacted tax rates.

For the year ended December 31, 2011, the Company recorded a tax provision of \$4,497 primarily related to current foreign income tax of \$60,230, offset by a foreign deferred tax benefit of \$55,733. The deferred tax benefit relates primarily to the amortization of the deferred tax liability in the Business Solve Ltd. Acquisition (Note 3). The provision is included as a component of other expense, net in the consolidated statement of operations.

At December 31, 2011 and 2010, temporary differences between the financial statement carrying and tax bases of assets and liabilities that give rise to significant deferred tax assets (liabilities) are as follows:

	<u>2011</u>	<u>2010</u>
Deferred taxes:		
Net operating loss carryforwards	\$ 3,919,152	\$ 3,337,046
Research and development credit carryforward	1,440,222	1,440,222
Non-deductible intangible assets	(321,623)	-
Depreciation and Amortization	(195,352)	(520,258)
Other	<u>334,685</u>	<u>212,478</u>
Gross deferred tax asset	5,177,084	4,469,488
Less - valuation allowance	<u>(5,498,707)</u>	<u>(4,469,488)</u>
Net deferred tax assets	<u>\$ (321,623)</u>	<u>\$ -</u>

As of December 31, 2011 and 2010, the Company had net operating loss carry forwards of approximately \$16,240,000 and \$13,450,000 respectively, available to reduce future U.S. federal, state, and foreign income taxes, if any. If not utilized, these carryforwards will expire at various dates through 2032. The Company also has research and development carryforwards of approximately \$1,705,000 as of December 31, 2011 and 2010, to reduce future federal and state income taxes. If not utilized, these carryforwards will expire at various dates through 2029.

The valuation allowance increased by \$1,029,219 and \$320,178 for the tax year ended December 31, 2011 and 2010, respectively. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become taxable. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods which the deferred tax assets are deductible, management believed that it was more likely than not that the deferred tax asset at December 31, 2011 would not be realized in future periods and, as such, this asset has been fully reserved for as of December 31, 2011. During 2011, the valuation allowance for the UK has been reversed, as all UK net operating carryforwards are estimated to be utilized in 2012.

8. INCOME TAXES...continued.

The Company follows the provisions of ASC 740-10, which prescribes a two step process for the measurement of uncertain tax positions that have been taken or are expected to be taken in a return. The first step is a determination of whether the tax position should be recognized in the financial statements. The second step determines the measurement of the tax position.

Under Internal Revenue Code Section 382, ownership changes may limit the amount of net operating loss that can be utilized annually to offset future taxable income and tax, respectively. In general, an ownership change, as defined by section 382, results from transactions increasing the ownership of certain stockholders or public groups in the stock of a corporation by more than 50 percentage points over a three-year period. As a result of the acquisition of Meeting Maker Holding BV by PeopleCube Holding BV in 2007, a change of control, as defined by section 382, may have occurred or could result in a change of control in the future upon subsequent disposition. The company has not currently completed a study to access whether a change of control has occurred or whether there have been multiple changes of control since its formation due to the significant complexity and cost associated with such study and due to the possibility of additional changes in control in the future. If the Company has experienced a change of control at any time since its formation, utilization of the net operating loss carryforwards would be subject to an annual limitation under section 382. Further, until a study is completed and any limitation known, no amounts are being presented as an uncertain tax position under ASC 740-10.

As of December 31, 2011 and 2010, the Company did not have a liability for uncertain tax positions. The Company has elected to record interest charges and penalties related to uncertain tax positions as part of its tax provision. At December 31, 2011, the Company did not accrue any potential interest or penalties.

The Company files income tax returns in the United States, the Netherlands, the United Kingdom and various state jurisdictions. The Company's federal tax returns are open to examination back to 2002 due to unused net operating loss carryforwards generated in those years. The Company's state statutes are generally open from 2008 through 2011.

9. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases certain office facilities under operating lease agreements that expire through December 2017. The following is the approximate future minimum lease payment under leases as of December 31, 2011:

2012	\$	260,173
2013		225,709
2014		200,362
2015		53,704
2016		53,704
Thereafter		4,475
Total	\$	<u>798,127</u>

Rent expense was \$377,807 and \$319,237 for the years ended December 31, 2011 and 2010, respectively.

9. COMMITMENTS AND CONTINGENCIES...continued

Capital Leases

The Company has various lease financing agreements with various lenders which are used to finance capital expenditures for equipment. During 2011, the Company entered into four additional capital lease agreements totaling \$26,458. Interest expense related to the Company's leases was \$6,667 and \$8,617 for the years ended December 31, 2011 and 2010, respectively.

The gross carrying amount of property and equipment under capital lease and related accumulated amortization has been included in property and equipment in the consolidated balance sheets. Amortization relating to capital leases has been included in depreciation expense.

Future minimum lease payments under capital leases at December 31, 2011 are as follows:

2012	\$	27,652
2013		14,663
2014		4,458
		<u>46,773</u>
Less - amount representing interest		<u>3,672</u>
Present value of minimum capital lease payments		43,101
Less - current portion		<u>23,347</u>
Obligations under capital leases, excluding current portion	\$	<u>19,754</u>

10. 401(k) PLAN

The Company maintains a 401(k) plan (the Plan) covering all eligible employees, as defined. The Plan allows eligible employees to make contributions up to 100% of their pretax annual compensation, as defined by the Plan, subject to certain IRS limitations. Under the Plan, the Company may make discretionary contributions at the end of each plan year. The Company made a contribution of \$6,198 for the year ended December 31, 2011 and did not make any contribution for the year ended December 31, 2010.

11. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through September 12, 2012, the date on which the financial statements were available to be issued. No events, other than that described below, have occurred subsequent to December 31, 2011 that requires adjustment to or disclosure in these financial statements.

On July 1, 2012 the Company sold all of its issued and outstanding shares of its operating subsidiary, Meeting Maker – United States, Inc., pursuant to a Stock Purchase Agreement with Asure Software, Inc. ("Asure"). The aggregate consideration received consisted of (i) \$9.8 million in cash, subject to a post-closing working capital adjustment, (ii) 255,000 shares of Asure's common stock, and (iii) an additional \$3 million in cash that is due on October 31, 2014, subject to offset of any amounts owed under the indemnification provisions of the Stock Purchase Agreement.

PeopleCube Holding BV
d/b/a PeopleCube**Table of Contents**

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PeopleCube Holding BV d/b/a PeopleCube
Consolidated Balance Sheets
June 30, 2012
(Unaudited)

	June 30, 2012 Restated
Assets	
Current assets:	
Cash and cash equivalents	\$
Accounts receivable, net	2,607,858
Prepaid expenses and other current assets	46,661
Total current assets	2,654,519
Property and equipment, net	116,550
Goodwill	2,696,616
Intangible assets, net	2,672,895
Other assets	77,006
Total assets	\$ 8,217,586
Liabilities and Stockholders' Equity	
Current liabilities:	
Accounts payable	881,625
Accrued expenses	409,345
Capital leases	8,258
Related parties notes payable	565,230
Notes payable	622,239
Deferred revenue	5,480,481
Total current liabilities	7,967,178
Long-term liabilities:	
Capital leases, net of current portion	21,461
Notes payable, net of current portion	426,671
Deferred revenue, net of current portion	90,922
Deferred tax liability	291,136
Total long-term liabilities	8,797,368
Stockholders' equity:	
Common stock, \$.014 par value; 9,000,000 shares authorized; 2,472,550 shares issued, and outstanding at June 30, 2012	34,616
Additional paid-in capital	13,632,951
Accumulated deficit	(14,483,251)
Accumulated other comprehensive income	235,902
Total stockholders' equity (deficit)	(579,782)
	\$ 8,217,586

The accompanying notes are an integral part of these consolidated financial statements.

PeopleCube Holding BV d/b/a PeopleCube
Consolidated Statements of Operations
For the six months ended June 30, 2012 and 2011
(Unaudited)

	Six months ended June 30, 2012 Restated	Six months ended June 30, 2011 Restated
Revenues	\$ 4,889,561	\$ 4,469,665
Cost of sales	498,098	789,449
Gross Margin	4,391,463	3,680,216
Operating Expenses		
Selling, general and administrative	4,067,870	4,563,472
Research and development	705,646	729,449
Total operating expenses	4,773,516	5,292,921
Loss from Operations	(382,053)	(1,612,705)
Other expenses		
Other expense, net	11,836	(89,958)
Interest expense	41,520	41,940
Net Loss	\$ (435,409)	\$ (1,564,687)

The accompanying notes are an integral part of these consolidated financial statements.

PeopleCube Holding BV d/b/a PeopleCube
Consolidated Statements of Cash Flows
For the Six months ended June 30, 2012 and 2011
(Unaudited)

	Six months ended June 30, 2012 Restated	Six months ended June 30, 2011 Restated
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (435,409)	\$ (1,564,687)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation and amortization	479,202	523,305
Deferred tax liability	(30,485)	(22,864)
Stock based compensation	24,055	167,742
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(260,550)	(768,128)
Prepaid expenses and other current assets	66,722	147,604
Increase (decrease) in liabilities:		
Accounts payable	520,969	272,984
Accrued expenses	(119,417)	12,790
Deferred revenue	(12,046)	718,791
Net cash provided by / (used in) operating activities	233,041	(512,463)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(40,732)	(32,009)
Acquisitions, net of cash acquired	-	(699,578)
Net cash (used in)/provided by investing activities	(40,732)	(731,587)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on capital leases	(13,382)	(17,640)
Proceeds from on Term loan		1,600,000
Repayments on term loan	(320,000)	(419,937)
(Increase) decrease in restricted cash	386,325	(405,904)
Repayments on acquisition note payable	(460,271)	(100,000)
Net cash provided by / (used in) financing activities	(407,328)	656,519
Effect of exchange rates on cash	(19,459)	(25,028)
Net decrease in cash and equivalents	(234,479)	(612,559)
Cash and equivalents at beginning of period	234,479	867,715
Cash and equivalents at end of period	\$ -	\$ 255,156

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Unaudited Financial Statement

1. NATURE OF BUSINESS

PeopleCube Holding BV was incorporated under the laws of the Netherlands on July 17, 2007. In July 2007, PeopleCube Holding BV acquired Meeting Maker Holding BV (d/b/a PeopleCube) and its subsidiaries Meeting Maker United States, Inc., incorporated under the laws of the state of Delaware on February 15, 2000, and Meeting Maker Limited, incorporated under the laws of the United Kingdom on September 15, 2005. PeopleCube Holding BV, Meeting Maker Holding BV, Meeting Maker Limited and Meeting Maker Limited's wholly owned subsidiary BusinessSolve Ltd., and Meeting Maker United States, Inc. (collectively, the Company) develop, market and sell software products and services. The Company is a leading provider of workplace, resource and energy management technology. The Company provides scheduling software to optimize space, resources and energy for a sustainable and cost effective workspace.

The consolidated financial statements have been prepared in conformity with the rules and regulations of the Securities and Exchange without audit. They do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. The unaudited interim consolidated financial statements have been prepared on the same basis as the Company's annual consolidated financial statement and, in the opinion of the Company's management, reflect all adjustments consisting of normal recurring adjustments considered necessary to present fairly the Company's results of its operations and its cash flows for the six month periods ended June 30, 2012 and 2011.

Restatement of Previously Issued Financial Statements

Subsequent to the issuance of the Company's consolidated financial statements for the six-month periods ended June 30, 2012 and 2011, the Company determined that certain adjustments were needed to conform the financial statements with generally accepted account principles. These financial statements and footnotes have been restated to reflect the adjustments. As a result of these amendments, total net assets as of June 30, 2012 increased by \$83,563 or 1%, total long term liabilities decreased by \$10,599 or less than 1%, and stockholders' equity increased by \$94,163 or 14%. During the six month period ended June 30, 2012 gross margins decreased by \$113,000 or 3%, operating expenses decreased by \$504,610 or 10% and net loss decreased/improved by \$351,096 or 43%. During the six month period ended June 30, 2012 cash flow from operating activities increased by \$361,846, cash flow from investing activities decreased by \$31,988, cash flow from financing activities decreased by \$320,000, and the effect of exchange rates on cash increased by \$10,029. Overall cash flow for the period remains unchanged as a decrease of \$254,365.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements reflect the application of certain significant accounting policies, as described in this note and elsewhere in the accompanying consolidated financial statements and notes.

Basis of Presentation

The financial statements have been prepared in accordance with accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets generally accepted accounting principles ("GAAP") to ensure financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification ("ASC").

Principles of Consolidation

The accompanying unaudited financial statements include the results of operations of Meeting Maker United States, Inc., Meeting Maker Limited and Meeting Maker Limited's wholly owned subsidiary BusinessSolve Ltd., which was acquired in February, 2011 (Note 3). All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP in the United States requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates included in the financial statements pertain to revenue recognition, the allowance for doubtful accounts receivable, the valuation of long term assets including goodwill, intangibles and deferred tax assets.

Fair Value of Financial Instruments

The Company's financial instruments consist principally of cash and cash equivalents, accounts receivable, accounts payable and notes payable. The carrying value of these instruments approximates their fair value, principally because of the short term maturity of these items.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of 90 days or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is provided for those accounts receivable considered to be uncollectible, based upon historical experience and management's evaluation of the outstanding accounts receivable at the end of the year. Uncollectible amounts are written off against the allowance after all collection efforts have been exhausted. At June 30, 2012, the allowance for doubtful accounts was \$173,421.

Property and Equipment

Property and equipment are stated at cost. Assets acquired and improvements thereon are capitalized; ordinary repairs and maintenance are charged to expense as incurred. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Asset Classification</u>	<u>Useful Life</u>
Computer equipment	3-5 years
Furniture and fixtures	7-10 years
Leasehold improvements	Shorter of estimated useful life of lease period or improvement

Intangible Assets

The Company's intangible assets consist of a trademarks, a tradename, technology licenses, customer lists, and a non-compete agreement, all of which were acquired through the 2007 acquisition of Meeting Maker Holding BV and the 2011 acquisition of BusinessSolve, Ltd (see Note 3). Separable intangible assets that are deemed to have a finite life are amortized over their useful lives. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Asset Classification</u>	<u>Useful Life</u>
Trademark and Tradename	8 years
Technology	10 years
Customer lists	5 years
Non-compete agreements	2 years

Long-Lived Assets

The Company accounts for its long-lived assets in accordance with ASC 360, Property, Plant and Equipment. This statement requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to be generated by the asset. As of June 30, 2012 and 2011, the Company has not identified any impairment of its long-lived assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Goodwill

Goodwill is evaluated for impairment at least annually, or more frequently, if events or changes in circumstances indicate that an asset might be impaired. Evaluation is performed using a two-step process. The first step compares the book value of the Company's reporting unit to its estimated fair value. The second step of the goodwill impairment test, which is only required when the net book value of the reporting unit exceeds the fair value, compares the implied fair value of goodwill to its book value to determine if an impairment is required.

Determining the fair value of a reporting unit is a judgment involving significant estimates and assumptions. These estimates and assumptions include revenue growth rates and operating margins used to calculate projected future cash flows, risk-adjusted discount rates, and future economic and market conditions. The Company bases its fair value estimates on assumptions that management believes to be reasonable, however actual future results may differ from these estimates. There was no impairment of goodwill for the six months periods ended June 30, 2012 and 2011, respectively.

Revenue Recognition

The Company generates revenue from the sale of perpetual software licenses, maintenance and support services, professional services and software subscription services. In general the Company recognizes revenue when all of the following criteria have been met; (a) persuasive evidence of an arrangement with the customer exists; (b) delivery has occurred or services have been rendered ; (c) the fees for the arrangement are fixed or determinable; and (d) collectability is reasonable assured.

Sales of perpetual software licenses are accounted for in accordance with ASC 985-605, *Revenue Recognition – Software*. Revenue from arrangements where multiple products or services are bundled together under one contract is allocated using the residual method, whereby revenue is attributed first to the undelivered elements (i.e. maintenance and support, and professional services) based on vendor-specific objective evidence (VSOE) of the fair value of the undelivered elements. The remainder of the total contract value is then attributed to the software license. VSOE is based upon the price charged when an element is sold separately. If VSOE does not exist for any of the undelivered elements, the entire arrangement fee is recognized upon delivery of all elements or over the period of the longest service commitment of the arrangement.

Revenue for professional services, including consulting, implementation of perpetual licenses and training, are typically recognized upon performance of the services. Revenue from maintenance and support agreements is recognized ratably over the period of the agreement, which is typically 1 to 3 years.

The Company also licenses its software pursuant to hosted software subscription agreements. Pursuant to these agreements, the customer does not have the contractual right to take possession of the software. Accordingly, these arrangements are accounted for as subscriptions with the fee recognized as revenue ratably over the subscription period. Implementation fees associated with subscription agreements are deferred and recognized over the longer of the contractual term or the estimated period that the customer will use the software.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Research and Development and Software Development Costs

Costs incurred in research and development are expensed as incurred. FASB ASC 985-20, *Software - Costs of Software to be Sold, Leased, or Marketed*, requires capitalization of certain computer software development costs incurred after technological feasibility is established and ceases when the product is available for general release. The establishment of technological feasibility and the ongoing assessment of recoverability of capitalized software development costs require considerable judgment by management concerning certain external factors including, but not limited to, technological feasibility, anticipated future gross revenue, estimated economic life, and changes in software and hardware technologies. There is generally a limited passage of time between achievement of technological feasibility and the availability of the Company's product for general release. Because no significant costs have been incurred during this time, the Company has not capitalized any software development costs to date.

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes*. ASC 740 requires the use of the asset and liability method of accounting for income taxes. The current or deferred tax consequences of a transaction are measured by applying the provisions of enacted tax laws to determine the amount of taxes payable currently or in future years. Deferred tax assets and liabilities are determined based on the difference between the financial statements and tax basis of assets and liabilities and expected future tax consequences of events that have been included in the financial statements or tax returns using enacted tax rates in effect for the year in which the differences are expected to reverse. Under this method, a valuation allowance is used to offset deferred taxes if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets may not be realized. Management annually evaluates the recoverability of deferred taxes and the adequacy of the valuation allowance.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, *Compensation – Stock Compensation*. ASC 718 requires all share-based payments to employees, including grants of employee stock options and modifications to existing stock options and restricted share plans, to be recognized in the statement of operations based on their fair values. There were no grants made during 2012. For the period ended June 30, 2012, the Company recorded stock-based compensation expense estimates of \$24,055 in connection with share based payment awards from prior years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Comprehensive Loss

ASC 220, *Comprehensive Income*, requires disclosure of all components of comprehensive income (loss). Comprehensive income (loss) is defined as the change in stockholders' equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Comprehensive losses for the periods ended June 30, 2012 and 2011 includes the reported net loss, and the change in the cumulative translation adjustment account of \$10,029 and \$46,849, respectively.

	<u>2011</u>	<u>2010</u>
Net loss	\$ (435,409)	\$ (1,564,687)
Cumulative translation adjustments	10,029	46,849
Comprehensive loss	<u>\$ (425,380)</u>	<u>\$ (1,517,838)</u>

Foreign Currency Translation

The Company's functional currency is the U.S. dollar. The functional currency of the Company's subsidiaries in the United Kingdom and the Netherlands is the local currency. The Company translates the financial statements of the subsidiaries in the United Kingdom and the Netherlands in accordance with ASC 830, *Foreign Currency Matters*. In translating the accounts of the foreign subsidiary into U.S. dollars, assets and liabilities are translated at the rate of exchange in effect at year end, while stockholders' equity is translated at historical rates. Revenue and expense accounts are translated using the weighted-average exchange rate in effect during the year. Gains and losses from foreign currency translation are credited or charged to accumulated other comprehensive income, included in stockholders' equity (deficit) in the accompanying consolidated balance sheets.

The transaction losses for the periods ended June 30, 2012 and 2011 were \$53,533 and \$25,028 respectively; these amounts are recorded in other expense, net, in the consolidated statements of operations for the years then ended.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Concentrations of Credit Risk and Significant Customers

Financial instruments that subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company's cash equivalents are invested in accredited financial institutions and the Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant risk on cash and cash equivalents. Concentration of credit risk with respect to accounts receivable is limited to customers to whom the Company makes significant sales. To control credit risks, the Company performs regular credit evaluations of its customers' financial condition, and maintains allowances for potential credit losses, but does not require collateral or other security to support customer receivables.

For the period ended June 30, 2012, the Company did not have any customer who represented at least 10% of revenue and did not have any customer who represented 10% of accounts receivable at period end.

For the period ended June 30, 2011 the Company did not have any customer who represented at least 10% of revenue or of accounts receivable at period end.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$29,493 and \$70,735, respectively, for the fiscal periods ended June 30, 2012 and 2011.

3. ACQUISITION OF BUSINESSOLVE LTD.

On February 14, 2011, the Company's subsidiary Meeting Maker Limited acquired 100% of the outstanding equity of BusinessSolve, Ltd., a British competitor in the workplace and resource management scheduling software business.

The purchase agreement required a payment of 500,000 GBP (\$800,050 as of February 14, 2011) at closing, plus 500,000 GBP (\$800,050 as of February 14, 2011) to be paid in eight equal quarterly installments beginning April 1, 2011. The Company recorded the future purchase price as a note payable at its estimated fair value of \$746,605, resulting in a \$53,445 debt discount. The debt discount is being accreted to interest expense through the date of the last quarterly payment (see Note 6).

Acquisition related costs which are included in the accompanying consolidated statement of operations for the period ended June 30, 2011 were approximately \$84,000. The purchase agreement also required the Company to fund an escrow account for 250,000 GBP (\$405,905 as of June 30, 2011) to partially secure the future purchase price payments. The Company repaid the acquisition note payable in full during the six months ended June 30, 2012 (see Note 6).

3. ACQUISITION OF BUSINESS SOLVE LTD....continued

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition and have been assigned to BusinessSolve, Ltd.

Cash	\$	100,472
Accounts receivable		358,292
Prepaid expenses and other assets		11,182
Intangible assets		1,160,000
Goodwill		668,717
Accounts payable and accrued expenses		(28,514)
Deferred tax liability		(377,354)
Deferred revenue		(346,140)
		<u> </u>
Net assets acquired	\$	<u>1,546,655</u>

Goodwill arising from the acquisition is largely due to the synergies and economies of scale expected as well as the expansion of the geographic distribution territory and additional product lines that can be distributed to the existing customer base.

The estimated values of current assets and liabilities, excluding deferred revenue, were based upon their historical carrying values on the date of acquisition due to their short-term nature. Deferred revenue was valued at the estimated cost to fulfill the assumed obligations, plus a reasonable profit margin. The Company determined the estimated fair value of the identifiable intangible assets after review and consideration of relevant information including discounted cash flow analyses, market data and management's estimates. The value attributed to the identifiable intangible assets included \$100,000 in a trade name, \$720,000 in customer relationships, \$230,000 in acquired technology and \$110,000 in non-compete agreements. The intangible assets are being amortized over a range of two to eight years and a weighted average period of 6 years. Goodwill and identifiable intangibles from the acquisition are not deductible for tax purposes therefore a deferred tax liability of \$377,354 was recorded as a component of the transaction.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2012</u>
Computer equipment and software	\$ 1,090,598
Furniture and fixtures	54,342
Leasehold improvements	<u>49,626</u>
	1,194,566
Less - accumulated depreciation and amortization	<u>1,078,019</u>
	<u> </u>
	<u>\$ 116,547</u>

Total depreciation expense for the ended June 30, 2012 and 2011 was \$38,284 and \$52,909 respectively.

5. INTANGIBLE ASSETS AND GOODWILL

Intangible assets consisted of the following at June 30:

	<u>2012</u>
Trademark	\$ 570,000
Tradenname	1,330,000
Technology	2,260,000
Customer lists	2,600,000
Non-compete agreements	<u>110,000</u>
	6,870,000
Less - accumulated amortization	<u>4,260,782</u>
	<u>\$ 2,609,218</u>

Total amortization expense for the period ended June 30, 2012 and 2011 was \$440,917 and \$470,396, respectively.

6. DEBT

Lines of Credit

In July 2008, the Company entered into a revolving line of credit agreement with a bank that provided for up to \$500,000 of borrowings based upon specified levels of qualified accounts receivable. Borrowings bore interest at the prime rate plus 1.0%. There was no outstanding balance on the line of credit at December 31, 2011, and the line of credit was closed on February 11, 2011.

Notes Payable

In June 2008, the Company entered into a Loan and Security Agreement with a bank for a \$1,300,000 term loan, secured by the Company's assets. The term loan carried interest at the greater of the prime rate, at the time of borrowing, plus 2.25% or 7.00%, and was due in 36 equal monthly installments. As of December 31, 2010, the Company had an outstanding balance on the term loan of \$130,000 and on February 9, 2011 the outstanding balance was repaid in full with proceeds from the term loan entered into on February 8, 2011 that is described below.

In July 2009, the Company entered into a Loan and Security Agreement with a bank for a \$400,000 term loan, secured by the Company's assets. The term loan carried interest at the greater of the prime rate, at the time of borrowing, plus 2.25% or 6.00%, and was due in 36 equal monthly installments. As of December 31, 2010, the Company had an outstanding balance on the term loan of \$288,889, and on February 9, 2011 the outstanding balance was repaid in full with proceeds from the term loan entered into on February 8, 2011 that is described below.

On February 8, 2011, the Company entered into a Loan and Security Agreement with another bank for a \$1,600,000 term loan, secured by all of the Company's assets. The proceeds of the loan were used to repay all then outstanding debt obligations and to fund the acquisition of BusinessSolve, Ltd., as discussed in Note 3. The term loan carries interest at the prime rate plus 3.00% (6.25% as of June 30, 2012), and is due in 30 equal monthly installments beginning on September 1, 2011. As of June 30, 2011, the Company had an outstanding balance on the term loan of \$1,066,667.

6. DEBT...continued

The Company's purchase agreement for BusinessSolve, Ltd. requires the Company to pay 500,000 GBP (\$800,050 as of February 14, 2011) in eight equal quarterly installments beginning April 1, 2011. The payments have no stated interest rate however the Company estimated the fair value of the payments at their net present value of \$746,605, resulting in a \$53,445 debt discount. The debt discount is being accreted to interest expense through the date of the last quarterly payment using the effective interest rate method. As of June 30, 2012, the Company has paid off the full amount of the obligation in installments and accreted \$53,445 of the debt discount as interest expense.

Related Parties Notes Payable

In October 2011, the Company entered into a Note Purchase Agreement with certain investors and executives of the Company for an aggregate amount of \$547,500, secured by the Company's assets; the Company received \$532,500 as of December 31, 2011, and the remaining \$15,000 was received in January 2012. The proceeds of the notes were used to fund working capital needs. Each note accrues interest at 12% and a premium of 30% of the principal balance will be paid on the earlier of a sale of substantially all of the Company's stock or assets, or December 31, 2012. The Company is accreting the lenders premium through the stated maturity date of the agreement using the effective interest rate method. For the year ended December 31, 2011, the Company accreted \$20,910 of the premium as additional interest expense and the carrying value of the debt is \$553,410 and recorded as related parties notes payable on the accompanying consolidated balance sheets. The notes are subordinate to the February 8, 2011 term loan described above. As of July 9, 2012 these notes were paid off by Meeting Maker Holding BV as a condition of its obligations under the Stock Purchase Agreement ("SPA") entered into effective July 1, 2012 (see Note 9).

Related Parties Notes Payable...continued

Aggregate future maturities of the Company's debt obligations are as follows as of June 30, 2012:

2012	\$	1,237,100
2013		736,581
2014		<u>106,640</u>
	\$	<u>2,080,321</u>

7. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases certain office facilities under operating lease agreements that expire through December 2017. The following is the approximate future minimum lease payment under leases as of June 30, 2012:

2012	\$	118,786
2013		225,709
2014		200,362
2015		53,704
2016		53,704
Thereafter		4,475
		<u>4,475</u>
Total	\$	<u>656,740</u>

Rent expense was \$220,552 and \$243,604 for the periods ended June 30, 2012 and 2011, respectively.

Capital Leases

The Company has various lease financing agreements with various lenders which are used to finance capital expenditures for equipment. During 2011, the Company entered into four additional capital lease agreements totaling \$26,458. Interest expense related to the Company's leases was \$6,667 and \$8,617 for the periods ended June 30, 2012 and 2011, respectively.

The gross carrying amount of property and equipment under capital lease and related accumulated amortization has been included in property and equipment in the consolidated balance sheets. Amortization relating to capital leases has been included in depreciation expense.

Future minimum lease payments under capital leases at June 30, 2012 are as follows:

2012	\$	14,070
2013		14,663
2014		4,458
		<u>4,458</u>
		33,191
Less - amount representing interest		<u>3,472</u>
Present value of minimum capital lease payments		29,719
Less - current portion		<u>8,258</u>
		<u>21,461</u>
Obligations under capital leases, excluding current portion	\$	<u>21,461</u>

8. 401(k) PLAN

The Company maintains a 401(k) plan (the Plan) covering all eligible employees, as defined. The Plan allows eligible employees to make contributions up to 100% of their pretax annual compensation, as defined by the Plan, subject to certain IRS limitations. Under the Plan, the Company may make discretionary contributions at the end of each plan year. The Company made a contribution of \$6,005 and \$4,801 for the periods ended June 30, 2012 and 2011.

9. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through September 17, 2012, the date on which the financial statements were available to be issued. No events, other than that described below, have occurred subsequent to June 30, 2012 that requires adjustment to or disclosure in these financial statements.

On July 1, 2012 the Company sold all of its issued and outstanding shares of its operating subsidiary, Meeting Maker – United States, Inc., pursuant to a Stock Purchase Agreement with Asure Software, Inc. (“Asure”). The aggregate consideration received consisted of (i) \$9.8 million in cash, subject to a post-closing working capital adjustment, (ii) 255,000 shares of Asure’s common stock, and (iii) an additional \$3 million in cash that is due on October 31, 2014, subject to offset of any amounts owed under the indemnification provisions of the Stock Purchase Agreement.

ASURE SOFTWARE, INC.

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INTRODUCTION TO ASURE SOFTWARE, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(Amounts in thousands, except per share data)

On July 1, 2012, Asure Software Inc., purchased all of the issued and outstanding shares of common stock (the “shares”) of Meeting Maker – United States, Inc., a Delaware corporation (“Meeting Maker - US”), pursuant to a Stock purchase Agreement (the “Stock Purchase Agreement”) by and among Meeting Maker Holding BV, a besloten vennootschap organized under the laws of the Netherlands (“Seller”), PeopleCube Holding BV, a besloten vennootschap organized under the laws of the Netherlands, and us. The Stock Purchase Agreement contains certain customary representations, warranties, indemnities and covenants.

The aggregate consideration for the Shares consisted of (i) \$10.00 million in cash, subject to a post-closing working capital adjustment of \$0.20 million, (ii) 255,000 shares of our common stock, par value \$0.01 per share, valued at \$0.75 million and (iii) an additional \$3.00 million seller’s note with a present value of \$2.40 million that is due on October 31, 2014, subject to offset of any amounts owed by Seller under the indemnification provisions of the Stock Purchase Agreement.. As a result of the acquisition, Meeting Maker - US became our direct wholly-owned subsidiary.

The business combination was accounted for under ASC 805, “*Business Combinations.*” The application of purchase accounting under ASC 805 requires the total purchase price to be allocated to the fair value of assets acquired and liabilities assumed based on their fair values at the acquisition date, with amounts exceeding fair value being recorded as goodwill. The Company is currently in the process of assessing and finalizing the fair value of the assets acquired and the liabilities assumed. The following table summarizes the preliminary estimated fair values of the assets and liabilities assumed (in thousands):

Assets Acquired	
Cash	\$ -
Accounts receivable	2,248
Fixed assets	117
Other assets	124
Goodwill	10,389
Intangibles	7,911
Total assets acquired	<u>20,789</u>
Liabilities assumed	
Accounts payable	(882)
Accrued other liabilities	(438)
Notes payable	(1,614)
Deferred revenue	(4,904)
Total liabilities assumed	<u>(7,838)</u>
Net assets acquired	<u>\$ 12,951</u>

The following unaudited pro forma condensed combined balance sheet assumes the acquisition occurred on June 30, 2012 and the unaudited pro forma condensed combined statements of operations and notes thereto, assume that the Acquisition occurred at the beginning of the periods presented. The unaudited pro forma condensed combined financial information is derived from, and should be read in conjunction with, the consolidated financial statements of Asure Software for the year ended December 31, 2011 filed on Form 10-K and PeopleCube Holding BV d/b/a PeopleCube ("PeopleCube") for the year ended December 31, 2011 included herein and the unaudited interim consolidated financial statements of Asure Software for the Six months ended June 30, 2012 filed on Form 10-Q and PeopleCube for the Six months ended June 30, 2012 included herein. The unaudited pro forma condensed combined financial information includes unaudited pro forma adjustments that are factually supportable and directly attributable to the Acquisition. In addition, with respect to the unaudited pro forma condensed combined financial information, the unaudited pro forma adjustments are expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information was prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 805 – *Business Combinations*. Certain amounts in the PeopleCube historical financial statements have been reclassified to conform to classifications used by Asure Software, Inc.

The unaudited pro forma condensed combined statements of operations do not include non-recurring transaction costs associated with the Acquisition that are no longer capitalized as part of the acquisition.

The following pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of (i) the results of operations and financial position that would have been achieved had the Acquisition taken place on the dates indicated or (ii) the future operations of the combined company. The following information should be relied on only for the limited purpose of presenting what the results of operations and financial position of the combined businesses of Asure Software and PeopleCube might have looked like had the Acquisition taken place at an earlier date.

The pro forma financial statements enclosed herein reflect the operations of PeopleCube Holding B.V. during the periods presented. The acquired entity, Meeting Maker United States Inc. and its subsidiaries conducted substantially all of the operations of PeopleCube Holding B.V., and held substantially all of the assets and liabilities of the consolidated entity during the periods presented.

Unaudited Pro Forma Condensed Balance Sheet
(Amounts in thousands, except per share data)

	<u>Asure 06/30/12</u>	<u>PeopleCube 06/30/12</u>	<u>Pro Forma Combined Adjustments</u>	<u>Pro Forma Combined 6/30/12</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	1,493	-	200 i	1,693
Accounts receivable trade, net	1,603	2,608	(360) a	3,851
Notes receivable	24	-		24
Inventory	156	-		156
Prepaid expenses and other current assets	263	47		310
Total Current Assets	3,539	2,655	(160)	6,034
Property and equipment, net	424	116		540
Intangible assets, net	5,593	2,672	5,239 b	13,504
Goodwill	6,259	2,697	7,692 c	16,648
Other	18	77	-	95
Total Assets	15,833	8,217	12,771	36,821
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Line of Credit	555	-		555
Current portion of Notes Payable	109	623		732
Related parties notes payable	-	565		565
Accounts payable	1,497	882		2,379
Accrued compensation and benefits	243	409		652
Other accrued Liabilities	641	21		662
Deferred Revenue	4,697	5,480	(668) f	9,509
Total Current Liabilities	7,742	7,980	(668)	15,054
Long-term deferred revenue	170	91		261
Deerpath Funding	-	-	10,000 h	10,000
Subordinated notes payable	4,375	427	2,400 d	7,202
Subordinated convertible notes payable	301	-		301
Deferred tax liability	-	291	(291) g	-
Other long-term obligations	28	8		36
Total Liabilities	12,616	8,797	11,441	32,854
Stockholders' Equity:				
Preferred Stock	-	-		
Common Stock	337	35	(35)	337
Treasury Stock	(5,017)	-		(5,017)
Additional paid-in-capital	273,361	13,633	(12,883) e1	274,111
Accumulated deficit	(265,362)	(14,483)	14,483	(265,362)
Accumulated other comprehensive gain /(loss)	(102)	235	(235)	(102)
Owner's Equity	3,217	(580)	1,330 e	3,967
Total Liabilities and Stockholders' Equity	15,833	8,217	12,771	36,821

(The accompanying notes are an integral part of the Pro Forma consolidated financial information)

Unaudited Pro Forma Condensed Statement of Operations
(Amounts in thousands, except per share data)

	Asure Twelve Months Ended Dec-11	PeopleCube Twelve Months Ended Dec-11	Pro Forma Combined Adjustments	Pro Forma Combined Twelve Months Ended Dec-11
Revenues				
Revenues	10,941	9,096	-	20,037
Total Revenues	10,941	9,096		20,037
Cost of Sales				
Cost of sales	2,289	1,662	252 a	4,203
Total Cost of Sales	2,289	1,662	252	4,203
Gross Margin	8,652	7,434	(252)	15,834
Operating Expense				
Selling, general and administrative expenses	6,203	7,438	-	13,641
Research and development	1,678	1,461	-	3,139
Amortization of intangibles	680	786	1,116 a	2,582
Total Operating Expenses	8,561	9,685	1,116	19,362
Income (Loss) from Operations	91	(2,251)	(1,368)	(3,528)
Other Income and (Expenses)				
Interest income	10	-		10
Interest expense-amortization of OID and derivative	(604)	-	(249) c	(853)
Foreign currency translation (loss) gain	74	(113)		(39)
Interest expenses and other	(148)	(164)	(1,399) b	(1,711)
Total Other Income and (Expense)	(668)	(277)	(1,648)	(2,593)
Income (Loss) From Operations, Before Income Taxes	(577)	(2,528)	(3,016)	(6,121)
Benefit (provision) for income taxes	(72)	-		(72)
Net Income (Loss)	<u>\$ (649)</u>	<u>(2,528)</u>	<u>(3,016)</u>	<u>(6,193)</u>
Net income per common share:				
Basic	\$ (0.14)	-	-	(1.27)
Diluted	\$ (0.14)	-	-	(1.27)
Weighted-average common shares outstanding:				
Basic	4,628	255	-	4,883
Diluted	4,628	255	-	4,883

(The accompanying notes are an integral part of the Pro Forma consolidated financial information)

Unaudited Pro Forma Condensed Statement of Operations
(Amounts in thousands, except per share data)

	Asure Six months ended 06/30/12	PeopleCube Six months ended 06/30/12	Pro Forma Combined Adjustments	Pro Forma Combined Six months ended 6/30/12
Revenues				
Revenues	4,205	4,890		9,095
Total Revenues	4,205	4,890		9,095
Cost of Sales				
Cost of sales	991	498	126 a	1,615
Total Cost of Sales	991	498	126	1,615
Gross Margin	3,214	4,392	(126)	7,480
Operating Expense				
Selling, general and administrative expenses	2,334	3,740	-	6,074
Research and development	591	706		1,297
Amortization of Intangibles	292	328	558 a	1,178
Total Operating Expenses	3,217	4,774	558	8,549
(Loss) Income from Operations	(3)	(382)	(684)	(1,069)
Other Income and (Expenses)				
Interest income	1			1
Foreign currency translation gain (loss)	(1)	(56)		(57)
(Loss) on disposal of assets	(26)			(26)
Interest expense-amortization of OID and derivative	(56)		(121) c	(177)
Interest expenses and other	(118)	3	(716) b	(831)
Total Other Income and (Expense)	(200)	(53)	(837)	(1,090)
(Loss) Income From Operations, Before Income Taxes	(203)	(435)	(1,521)	(2,159)
Benefits (provision) for income taxes	(120)	-		(120)
Net (Loss) Income	<u>\$ (323)</u>	<u>(435)</u>	<u>(1,521)</u>	<u>\$ (2,279)</u>
Net (Loss) income per common share:				
Basic	\$ (0.06)	-	-	(0.44)
Diluted	\$ (0.06)	-	-	(0.44)
Weighted-average common shares outstanding:				
Basic	4,982	255	-	5,237
Diluted	4,982	255	-	5,237

(The accompanying notes are an integral part of the Pro Forma consolidated financial information)

ASURE SOFTWARE, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED
STATEMENT OF INCOME FOR TWELVE MONTHS ENDED 12/31/10
AND NINE MONTHS ENDED 09/30/11
(Amounts in thousands, except per share data)

Notes to Pro Forma Balance Sheet:

- (a) Adjustment to AR reserves as per Asure policy
- (b) Estimated value of intangible assets acquired in acquisition
- (c) Estimated value of goodwill acquired in acquisition
- (d) Note payable to seller
- (e) Eliminate PeopleCube equity at acquisition
- (e1) Common shares issued on acquisition
- (f) Estimated value of Deferred revenue at acquisition
- (g) Eliminate Deferred tax liability
- (h) Debt financing facility by Asure from Deerpath
- (i) Working capital adjustments

Notes to Pro Forma Income Statement:

- (a) Reflects adjustments to the historical intangible amortization expense resulting from the effects of the preliminary purchase price associated with the acquisition of PeopleCube. The final allocation of the actual purchase price is subject to the final valuation of the acquired assets, but that allocation is not expected to differ materially from the preliminary allocation presented in this pro forma condensed combined financial information.
- (b) Reflects Interest expense on acquisition related debt
- (c) Interest accretion on sellers note for \$3.0 million

