

UNIT4 Business Software Limited

Report and Financial Statement

31 December 2014

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COMPANIES HOUSE

UNIT4 Business Software Limited

Directors

Claire Bishop
David Harwood
Gonçalo Leitão
Helen Sutton
Ray Leclercq
Stephan Seiber

Secretary

Claire Bishop

Auditors

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

Bankers

ING Bank
60 London Wall
London
EC2M 5TQ

Registered office

St George's Hall
Easton-in-Gordano
Bristol
BS20 0PX

Directors' report

Registered Number 01737985

The directors present their report and financial statements for the year ended 31 December 2014.

Principal activity

The principal activity of the company continues to be the provision of business information software and solutions.

Directors

The present membership of the Board is as listed on page 1. The directors who served during the year and up to the date of this report were:

Anwen Robinson	(resigned 5 January 2015)
Arie Van Marion	(resigned 30 June 2014)
Claire Bishop	
David Harwood	
Darren I Hunt	(resigned 22 September 2014)
Gonçalo Leitão	(appointed 24 June 2014)
Helen Sutton	(appointed 8 January 2015)
Paul Vogel	(appointed 19 May 2014; resigned 16 July 2015)
Ray Leclercq	(appointed 1 August 2015)
Stephan Seiber	(appointed 1 August 2015)

Directors' qualifying third party indemnity provision

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are not aware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Directors' report (continued)

Equal Opportunity for Members of staff

The directors are fully committed to promoting and implementing equal opportunities for all staff. Policies have been established which will ensure that no member of staff or job applicant receives less favourable treatment on the grounds of sex, sexual orientation, race, colour, nationality, ethnic or national origin, religion or philosophical belief, disability, gender identity / reassignment, marital status, family circumstance or age, or be disadvantaged by conditions or requirements that cannot be shown to be justifiable.

Employee Information

The directors are committed to two-way communication between staff and the Board, and utilises a variety of methods to achieve this.

Supplier payment policy

UNIT4 Business Software Limited agrees terms and conditions with suppliers in advance. The company pays its creditors on a pay on time basis which varies according to the type of product and the suppliers' own terms.

At 31 December 2014, the company had an average of 18.4 days purchases owed to trade creditors (2013: 26.7 days).

Political and charitable donations

There were no political donations during the year (2013: £nil).

Donations of £25,550 were made to charitable projects in the year (2013: £26,902).

Research and development

The company is engaged in research and development for the ongoing technological advancement of its products for business management. The costs of research and development are written off as incurred.

Dividends

During the year the company did not receive or pay a dividend. (2013: £59.5m received and £20m paid).

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

By order of the Board on 22 Sep '15



H Sutton
Director

Strategic report

Results and dividends

The company made a profit for the year after taxation of £10.6m (2013: £66.3m). In 2014 no dividends were received or paid. In 2013 a dividend of £59.5m was received and a dividend of £20m was paid.

Principal activity and review of the business

The principal activity of the company continues to be the provision of business information software and solutions.

In November 2014, the company discontinued sales of the product Business Collaborator. The staff, assets and liabilities were transferred to Business Collaborator Limited in a management buy out scheme.

The company's key financial and other performance indicators during the year are shown below:

	2014	2013	Change	
	£'m	£'m		%
Turnover	73.4	67.8	+	8.3
Gross Profit	48.1	47.9	+	0.4
Operating Profit	12.5	10.6	+	17.9
EBITDA	15.4	13.7	+	12.4
Borrowings	-	60.0	-	100.0
Shareholders' funds	128.4	117.7	+	9.1
Average number of employees	519	563	-	7.8

Turnover increased overall but Licence revenue fell by £1.6m (12.7%). Maintenance revenue increased by £2.5m (7.1%) and Services revenue increased by £4.7m (24.8%). Cost of Sales increased from £19.9m in 2013 to £25.3m in 2014 resulting in an overall increase in Gross Profit of £0.2m (0.4%)

The company had a Loan agreement with Agresso Cyprus Limited for funds used in the acquisition of CODA Limited in 2008. In October 2014 the loan was repaid in full.

Going Concern

After making enquiries and reviewing results and forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence in the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Strategic report (continued)

Business risks

In terms of cash balances and borrowings, UNIT4 N.V. manages cash centrally via a pooling account with the immediate parent undertaking, UNIT4 Business Software Holding B.V.

The company had a Loan agreement with Agresso Cyprus Limited for funds used in the acquisition of CODA Limited in 2008 and at 31 December 2013 the balance was £60m. In October 2014 the loan was repaid in full resulting in the pooling account with the immediate parent undertaking becoming a liability. This stands at £28.5m as at 31 December 2014. The company is fully supported by UNIT4 N.V..

Competitive risks are a continuing factor for the company. The software industry is highly competitive and the company puts strong emphasis on excellent service levels, the quality of the product and competitive pricing to grow the customer base and maintain the position within the market.

Although the directors recognise the constraints on the public sector spending, they consider that the company will not be adversely affected as it operates across a balanced spread of business sectors.

By order of the Board on 22 Sept '15



H Sutton
Director

Statement of directors' responsibilities in respect of the financial statements

Registered Number 01737985

The directors are responsible for preparing the Directors' report, the Strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

To the members of UNIT4 Business Software Limited

We have audited the financial statements of UNIT4 Business Software Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in the Shareholders' Funds, the Balance Sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditors' report (continued)

To the members of UNIT4 Business Software Limited

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Jane Barwell (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Bristol

Date: 24 September 2015

Profit and Loss Account

For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover			
Continuing operations		71,238	65,343
Discontinued operations		<u>2,170</u>	<u>2,486</u>
	2	73,408	67,829
Cost of Sales	3	<u>(25,296)</u>	<u>(19,917)</u>
Gross Profit		48,112	47,912
Administrative expenses	3	<u>(35,568)</u>	<u>(37,267)</u>
Operating Profit			
Continuing operations		12,784	10,675
Discontinued operations		<u>(240)</u>	<u>(30)</u>
	4	12,544	10,645
Net financial expenses	7	(965)	(1,203)
Investment income		-	59,473
Impairment of land and buildings	10	(316)	-
Profit on disposal of discontinued operations	8	<u>2,819</u>	<u>-</u>
Profit on ordinary activities before taxation		14,082	68,915
Tax on profit on ordinary activities	9	<u>(3,439)</u>	<u>(2,593)</u>
Profit retained for the financial year	16	<u>10,643</u>	<u>66,322</u>

Discontinued operations included above amounted to a loss of £240,440. (2013: loss £30,188).
All other operations are continuing.

Statement of total recognised gains and losses

There are no recognised gains and losses other than the profit attributable to shareholders of the company of £10,643,000 in the year ended 31 December 2014 (2013: £66,322,000).

Reconciliation of movements in the shareholders' funds

For the year ended 31 December 2014

	2014 £'000	2013 £'000
Profit retained for the financial year	10,643	66,322
Dividends paid	-	<u>(20,000)</u>
Net addition/(reduction) to shareholders' funds	10,643	46,322
Opening shareholders' funds	<u>117,709</u>	<u>71,387</u>
Closing shareholders' funds	<u>128,352</u>	<u>117,709</u>

Balance Sheet

As at 31 December 2014

		2014		2013	
	Notes	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible fixed assets	10	5,969		7,031	
Intangible fixed assets	11	15,052		17,320	
Investments	12	142,649		142,649	
			163,670		167,000
Current Assets					
Debtors: amounts falling due within one year	13	23,603		40,022	
Cash at bank and in hand		1,892		51	
		25,495		40,073	
Creditors : amounts falling due within one year	14	(60,813)		(29,364)	
Net Current (liabilities)/assets			(35,318)		10,709
Total assets less current assets			128,352		177,709
Creditors : amounts falling due in more than one year	14				(60,000)
Net Assets			128,352		117,709
Capital and Reserves					
Called up share capital	15		51,565		51,565
Profit and loss account	16		76,787		66,144
Equity shareholders' funds	16		128,352		117,709

The accounts were approved by the Board of directors on 22 Sept 2015 and were signed on its behalf by:



H Sutton
Director

Notes to the Financial Statements

For the year ended 31 December 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable Accounting Standards.

Going Concern

After reviewing the results and forecast of the company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence in the foreseeable future and accordingly, they continue to adopt the going concern basis in preparing the accounts.

Basis of consolidation

The company has taken advantage of the exemption under s.401 of the Companies Act 2006 not to prepare consolidated financial statements as it is a wholly owned subsidiary of Advent International Corporation (note 20). These financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

The directors have taken advantage of the wholly owned subsidiary company exemption of Financial Reporting Standard No 1 (Revised) and thus a cash flow statement has not been published.

Turnover

All turnover is stated net of value added tax and represents amounts invoiced to third parties. Additional conditions apply to revenue recognition on software sales and software maintenance contracts.

Revenue arising from software sales is recognised when an order or contract is in place, delivery (or customer acceptance) has occurred, and collectability is probable.

In cases where software requires significant modification or customisation, turnover represents the sales value of work done in the period, including estimates in respect of amounts not invoiced. The profit included is calculated to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Revenue arising from software maintenance contracts is credited to the profit and loss account over the period to which those contracts relate.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Any differences are taken to the profit and loss account.

Notes to the Financial Statements

For the year ended 31 December 2014

1. Accounting policies (continued)

Tangible fixed assets

Depreciation is calculated so as to write off the cost of tangible assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned as follows:-

Freehold premises	over 50 years
Leasehold premises	over term of lease
Leasehold improvements	over term of lease
Computer Systems	2 to 5 years
Fixtures and fittings	2 to 10 years

Intangible fixed assets

There are four classes of intangible fixed assets.

Customer contracts acquired on the acquisition of pFACT, MicroComputer Associates Limited and CODA GB Limited are amortised so as to write off the cost, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. Customer contracts relating to pFACT have been fully amortised. For contracts relating to MicroComputer Associates Limited and CODA GB Limited the period is 20 years.

Software Development costs on the acquisition of MicroComputer Associates Limited are amortised so to write off the cost, on a straight-line basis over the expected useful economic life of the products developed, which is considered to be 20 years.

Goodwill relates to the purchase of CODA related businesses from CODA IT Services Limited and businesses (excluding Intellectual Property Rights) from CODA Group Holdings Limited in 2008. The goodwill represents the excess of the consideration given over the fair value of the identifiable net assets acquired. Amortisation is calculated so as to write off this value on a straight line basis over the useful economic life of 20 years.

The intellectual property rights of the product Business Collaboration will be amortised on a straight line basis over a 5 year period, which is considered to be the expected useful economic life of the product.

Investments

Investments in subsidiaries are held at cost and reviewed annually for impairment.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there would be suitable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the Financial Statements

For the year ended 31 December 2014

1. Accounting policies (continued)

Pensions

The company operates three defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Leased assets

All leases are operating leases and the annual rentals are charged to operating profit on a straight-line basis over the lease term.

Research and development

Research and development expenditure is written off as incurred.

2. Turnover

The turnover, which is stated net of value added tax, represents the value of the sales of software, hardware and services to third parties and includes, where the outcome can be assessed with reasonable certainty, amounts invoiced during the course of contracts.

The turnover split by geographic area is as follows:

	2014 £'000	2013 £'000
United Kingdom	70,370	64,154
Rest of Europe	1,673	2,424
Rest of World	1,365	1,251
	<u>73,408</u>	<u>67,829</u>

3. Cost of sales and operating expenses

	2014 £'000	2013 £'000
Cost of Sales		
Continuing operations	25,040	19,760
Discontinued operations	256	157
	<u>25,296</u>	<u>19,917</u>
Administrative expenses		
Continuing operations	33,414	34,908
Discontinued operations	2,154	2,359
	<u>35,568</u>	<u>37,267</u>

Notes to the Financial Statements

For the year ended 31 December 2014

4. Operating profit

	2014 £'000	2013 £'000
This is stated after charging/(crediting)		
Depreciation of owned fixed assets	969	1,097
Amortisation of intangible fixed assets	1,924	1,939
Auditors' remuneration - audit services	62	61
Operating lease costs - land and buildings	472	449
- plant and machinery	62	104
Loss on sale of fixed assets	1	5
Net loss/(gain) on foreign exchange	1	(55)

5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2014 £'000	2013 £'000
Emoluments	782	831
Company pension contributions to money purchase schemes	39	40

The number of directors who are accruing benefits under company pension schemes is 4 (2013: 5)

In addition, remuneration for Arie van Marion, Gonçalo Leitão and Paul Vogel is paid by UNIT4 Business Software Holdings B.V., another company within the group. A holding services charge of £2,082,104 (2013: £1,757,127) has been made by UNIT4 Business Software Holdings B.V. in respect of administration and other costs, including this remuneration. It is not possible to identify the amount relating to their remuneration separately.

The amounts in respect of the highest paid director are as follows:

	2014 £'000	2013 £'000
Emoluments	286	330
Company pension contributions to money purchase schemes	14	14

Notes to the Financial Statements

For the year ended 31 December 2014

6. Staff costs

The average monthly number of employees (including directors) during the year was:

	2014 No.	2013 No.
Sales and marketing	88	94
Technical	403	440
Finance and administration	28	29
	<u>519</u>	<u>563</u>
	2014 £'000	2013 £'000
Wages and salaries	27,421	27,793
Social security costs	3,254	3,330
Other pension costs	1,711	1,550
	<u>32,386</u>	<u>32,673</u>

Termination costs of £559,249 (2013: £205,449) are included under Wages and salaries.

7. Net financial expenses

	2014 £'000	2013 £'000
Bank interest receivable	27	73
Bank interest payable	(218)	-
Interest payable to group companies	<u>(774)</u>	<u>(1,276)</u>
	<u>(965)</u>	<u>(1,203)</u>

8. Profit on disposal of discontinued operations

In November 2014, the part of the business relating to trading in the Business Collaboration product was sold.

	£'000
Tangible fixed assets	36
Intangible fixed assets	344
Net current liabilities	<u>(575)</u>
	(195)
Sale proceeds	<u>2,624</u>
Profit on disposal of discontinued operations	<u>2,819</u>

Sales proceeds included £2,583,979 cash received and £40,222 receivable as at 31 December 2014 and shown under Other debtors (note 13)

Notes to the Financial Statements

For the year ended 31 December 2014

9. Tax on profit on ordinary activities

(a) The tax charge for the year comprises:

	Notes	2014 £'000	2013 £'000
<i>UK corporation tax</i>			
Current tax charge on results for the year		3,431	2,618
Adjustment in respect of previous years		(29)	(74)
Total current tax	9 (b)	3,402	2,544
Deferred tax – current year	9 (d)	35	54
Deferred tax – prior year	9 (d)	2	(5)
Tax on profit on ordinary activities		3,439	2,593

(b) Factors affecting the current tax charge for the year

The tax assessed in each year varies from the standard rate of corporation tax in the UK in the relevant years. The differences are explained below:

	Notes	2014 £'000	2013 £'000
Profit on ordinary activities before tax		14,082	68,915
Tax at standard rate of 21.5% (2013: 23.25%)		3,028	16,020
<i>Effects of:</i>			
Non-deductible expenses		434	462
Non-deductible income from dividends		-	(13,827)
Depreciation in excess of capital allowances		(50)	(40)
Other short term timing differences		19	3
Adjustment to tax in respect of previous periods		(29)	(74)
Current tax charge for the year	9 (a)	3,402	2,544

(c) Factors affecting the tax charge in future years

Non-deductible expenses in 2008 and later years will continue in relation to the MCA acquisition and CODA acquisition. In addition, interest relating to the purchase of CODA has resulted in an increased level of tax deductible interest expenses.

Notes to the Financial Statements

For the year ended 31 December 2014

9. Tax on profit on ordinary activities (continued)**(d) Deferred tax asset**

	Notes	2014 £'000	2013 £'000
Accelerated capital allowances		96	150
Other short term timing differences		54	37
		<u>150</u>	<u>187</u>
As at 1 January		187	236
Charged to profit and loss account	9 (a)	(37)	(49)
		<u>150</u>	<u>187</u>
As at 31 December			

During the prior year changes to the corporation tax rates were enacted which have an impact on the future tax charge of the company. The corporation tax rate was reduced from 21% to 20% from 1 April 2015. In July 2015 the Chancellor announced that the corporation tax rate would reduce to 19% from 1 April 2017 and to 18% from 1 April 2020. These changes have not been substantively enacted and therefore are not reflected within the deferred tax calculations.

Notes to the Financial Statements

For the year ended 31 December 2014

10. Tangible fixed assets

	<i>Fixtures & Fittings</i>	<i>Computer Systems</i>	<i>Leasehold improvements</i>	<i>Leasehold & Freehold Premises</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 Jan 2014	1,552	5,554	252	5,967	13,325
Additions	27	228	9	-	264
Disposals	(12)	(1,597)	-	-	(1,609)
At 31 Dec 2014	1,567	4,185	261	5,967	11,980
Depreciation and Impairment:					
At 1 Jan 2014	1,055	4,672	209	358	6,294
Charge for the year	173	638	23	135	969
Impairment	-	-	-	316	316
Disposals	(9)	(1,559)	-	-	(1,568)
At 31 Dec 2014	1,219	3,751	232	809	6,011
Net book value:					
At 31 Dec 2014	348	434	29	5,158	5,969
At 31 Dec 2013	497	882	43	5,609	7,031

In August 2014 the Land and Buildings in Swansea was revalued at £550k, requiring an impairment of £316k.

Notes to the Financial Statements

For the year ended 31 December 2014

11. Intangible fixed assets

	<i>Customer contracts</i>	<i>Acquired software development</i>	<i>CODA Goodwill</i>	<i>Business Collaboration IP</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 Jan 2014	14,179	1,250	19,054	825	35,308
Disposal	-	-	-	(825)	(825)
At 31 Dec 2014	14,179	1,250	19,054	-	34,483
Amortisation and Impairment:					
At 1 Jan 2014	4,439	484	12,735	330	17,988
Charge for the year	699	63	1,011	151	1,924
Amortisation on disposal	-	-	-	(481)	(481)
At 31 Dec 2014	5,138	547	13,746	-	19,431
Net book value:					
At 31 Dec 2014	9,041	703	5,308	-	15,052
At 31 Dec 2013	9,740	766	6,319	495	17,320

The disposal of the Business Collaboration IP was included in the disposal of the Business Collaboration section of the business (see note 8)

Notes to the Financial Statements

For the year ended 31 December 2014

12. Investments

Shares in group undertakings	£'000
At 1 Jan 2014 and 31 Dec 2014	<u>142,649</u>

UNIT4 Business Software Limited owns 100% of the share capital of the following companies:
(* denotes companies held directly by UNIT4 Business Software Limited)

<i>Subsidiary undertakings</i>		<i>Country of Registration or Incorporation</i>	<i>Principal Activity</i>	<i>Class of shares held</i>
CODA Limited	*	England and Wales	Holding Company	Ordinary
CODA Group International Limited		England and Wales	Holding Company	Ordinary

CODA Limited owns 100% of the share capital of CODA Group International Limited.

CODA Group International Ltd owns 100% of the share capital of the following companies:

<i>Subsidiary undertakings</i>		<i>Country of Registration or Incorporation</i>	<i>Principal Activity</i>	<i>Class of shares held</i>
UNIT4 Asia Pacific Pte Ltd		Singapore	Computer Software	SG\$1 ords
UNIT4 CODA B.V.		The Netherlands	Computer Software	€1 ords

13. Debtors

	2014 £'000	2013 £'000
Trade debtors	16,779	15,347
Amounts owed by parent undertaking	-	17,220
Amounts owed by group undertakings	1,279	1,744
Other debtors	44	44
Prepayments and accrued income	5,351	5,480
Deferred tax asset (note 9)	150	187
	<u>23,603</u>	<u>40,022</u>

Notes to the Financial Statements

For the year ended 31 December 2014

14. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	351	984
Amounts owed to parent undertakings	28,497	-
Amounts owed to group undertakings	2,517	3,834
Corporation Tax payable	1,981	886
Other taxation and social security	3,185	3,213
Other creditors	197	95
Accruals	3,827	3,789
Deferred income	20,258	16,563
	<u>60,813</u>	<u>29,364</u>

Creditors: amounts falling due in more than one year

	2014 £'000	2013 £'000
Amounts owed to group undertakings	-	60,000
	<u>-</u>	<u>60,000</u>

The company had a Loan agreement with Agresso Cyprus Limited for funds used in the acquisition of CODA Limited in 2008. In October 2014 the loan was repaid in full. This resulted in a liability owed to the parent undertaking which is shown under amounts falling due within one year as there is no formal agreement regarding repayment.

15. Share capital

	2014 £'000	2013 £'000
<i>Allotted, called up and fully paid:</i>		
51,565,227 Ordinary shares of £1 each	<u>51,565</u>	<u>51,565</u>

Notes to the Financial Statements

For the year ended 31 December 2014

16. Reconciliation of movements on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	£'000	£'000	£'000
At 1 January 2014	51,565	66,144	117,709
Profit for the year	-	10,643	10,643
At 31 December 2014	51,565	76,787	128,352

17. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	<i>Land and Buildings</i>		<i>Others</i>	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
<i>Leases which expire:</i>				
Within one year	128	43	35	25
Within two to five years	295	415	-	35
After five years	4	-	-	-
	427	458	35	60

18. Other financial commitments

In connection with the financing of the acquisition by Advent International Corporation in 2014, the company became joint participant and guarantor to the group loan facility with ING Bank N.V. and other secured parties to the value of €440m and €165m. In July 2015 this was increased by US\$30m.

At 31 December 2014 the assets of the company are secured against the loan facility.

19. Related party transactions

As the company is a wholly owned subsidiary undertaking of Advent International Corporation the company has, pursuant to paragraph 17 of FRS 8 "Related Party Disclosures", not included details of transactions within the group. There are no other related party transactions requiring disclosure.

Notes to the Financial Statements

For the year ended 31 December 2014

20. Immediate and ultimate parent undertaking

As at 31 December 2013 the Company's immediate parent undertaking was UNIT4 Business Software Holding B.V. and its ultimate parent Company and controlling party was UNIT4 N.V., a Company incorporated in the Netherlands.

On 21 March 2014, UNIT4 N.V. announced that Advent International Corporation had acquired the majority of shares in UNIT4 N.V. and therefore has control over the company and the group. The listing and trading of the UNIT4 N.V.'s shares on Euronext Amsterdam was terminated in April 2014.

The smallest company undertaking to consolidate these financial statements is Al Avocado Holding B.V. and copies of the consolidated financial statements can be obtained from the Company Secretary at Stationspark 200, 3364 Slidrecht, The Netherlands

Advent International Corporation is the largest company undertaking within which the results of UNIT4 Business Software Limited are included.

With effect from 1 September 2015, the immediate parent undertaking became UNIT4 UK Software Holdings Limited, a company incorporated in the United Kingdom.