Registered number 2326316

Dassault Systèmes Biovia Limited

Annual Report and Financial Statements

Year ended 31 December 2015

Registered No: 2326316

Directors
S M Carnecchia
S J Chadwick
J Jenkins

Secretary
Shoosmiths Secretaries Ltd

Auditor
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Strategic report

The directors of Dassault Systèmes Biovia Limited ("the company") present their annual report containing a strategic report, directors' report and the financial statements for the year ended 31 December 2015.

Principal activities and review of the business

The company designs, develops, markets and supports software based solutions that facilitate the discovery and development of new and improved products and processes in the pharmaceutical, biotechnology, energy, chemical, aerospace and consumer packaged goods industries. Using the company's solutions, its customers create and obtain real time access to scientific data that enables them to make informed decisions which increase the probability of success of their chosen path. The company's software and services are intended to reduce its customers' product development costs, shorten the time to market for their new product introductions and improve their business processes. The company's customers include leading commercial, government and academic organisations. Many of the largest pharmaceutical, biotechnology, chemical, energy, aerospace and consumer packaged goods companies' worldwide use the company's software. The company markets its products and services worldwide, principally through its direct sales force, augmented by the use of third-party distributors.

As a sister company to Dassault Systèmes Biovia Corp, the company continues to benefit from an international sales and marketing organisation and complementary products. In return, the sister company benefits from a European sales and marketing organisation, and continuing excellence in new product enhancement and development.

The company's key financial and other performance indicators during the year were as follows:

	2015	*2014*	*Change*
	£'000	*£'000*	*%*
Turnover	20,499	18,358	11.7%
Operating profit	20,518	370	5,445%
Profit after tax	20,772	158	13,047%
Shareholders' deficit	(8,003)	(28,775)	-72.2%
External turnover (excluding turnover from group undertakings)	16,227	14,569	11.4%
Current assets as % of current liabilities	43%	27%	16%
Average number of employees	117	117	0.0%

Total turnover increased 11.7 % during the year. Total turnover includes external revenue and revenue from a sister company for contract research and development activities. While the revenue from the sister company increased due to more R&D activity, the increase in external revenue reflects the growth in orders invoiced during the previous year. In accordance with the company's revenue recognition policies, revenue is recognized over the contractual license term or percentage of completion for projects. Any increase in orders late in the financial year will therefore primarily impact turnover in the following year.

The 5,445% increase in operating profit is primarily due to the restructure of the UK business following the acquisition by Dassault Systemes SE. The intercompany debt between the company and Synopsis Ltd (£17,000K) and Synomics Ltd (£2,394K) was forgiven, before the two companies requested to be struck off by Companies House.

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Strategic report *(continued)*

Principal activities and review of the business *(continued)*
The company's "quick ratio" (current assets as a percentage of current liabilities) increased to 43% (2014: 27%).

Future developments
The company believes that the combination of its scientific operating platform and computer aided design modelling and simulation software and service solutions enables its customers to better utilise their scientific data in order to solve critical business issues throughout their organisations. The company's strategy is to continue to increase the use of its scientific operating platform so that it remains the de facto standard scientific operating platform in the industries it serves. The company continues to develop advanced analysis and reporting component collections which operate with its platform in order to extend its capabilities and value to its customers. The company's scientific operating platform is also the basis of many of its service offerings, including offerings which integrate and enhance its customers' software, thereby further increasing the use and value of its scientific operating platform. The company intends to market and distribute its solutions to a broader group of users, including scientists, engineers and information technology professionals within its existing customer base, as well as to new customers in other industries. The company also partners with other companies who provide scientific software and services in order to ensure that their software and service solutions operate with the company's scientific operating platform, further proliferating its use and value to its customers.

Principal risks and uncertainties
The company's principal financial assets are bank balances, trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, is based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a number of counterparties and blue chip customers.

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Foreign currency risk management during the year was undertaken at the Dassault Systèmes SE group level to mitigate the risk to the wider group.

In the long term the company is dependent on the following risks and uncertainties:

Marketplace and environment
Historically the company has derived a significant portion of its revenue from the sale of modelling and simulation software to the discovery research departments in pharmaceutical and biotechnology companies. Such revenues had been declining over the past few years but this decline slowed in the past year and the company has increased the revenue it derives from other product and service offerings. The company continues to invest in its product portfolio launching new ground-breaking products to further expand its portfolio across the entire product lifecycle.

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Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Operational

The company's success depends in part on the continued service of key scientific, sales, business development, marketing, engineering, management and accounting personnel and its ability to identify, hire and retain additional personnel. There is intense competition for qualified personnel. Failure to attract and retain skilled personnel could have a material adverse effect on the company. In recognition of this risk the company actively ensures that its personnel are remunerated at a competitive market rate and provides a framework of incentives to retain key personnel.

Intellectual property

The company relies upon trade secrets, technical know-how and continuing technological innovation to develop and maintain its competitive position. The company generally requires employees and consultants to execute confidentiality and assignment-of-inventions agreements. Its employees and consultants may breach these agreements. Also foreign laws may not afford the company sufficient protection for its intellectual property. In addition, to the extent that the company's employees are involved in research areas similar to those in which they were involved at their former employers, the company may inadvertently use or disclose alleged trade secrets or other proprietary information of their former employer. Thus, its products may infringe patent or other intellectual property rights of third parties, and the company may be subject to infringement claims by third parties.

Signed on behalf of the board

Jane Jenkins
Director
15 July 2016

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Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2015.

Results and dividends

The profit for the year amounted to £20,772K (2014: £158K). The directors do not recommend the payment of a dividend (2014: £nil).

Post balance sheet event

None to note

Research and development

Development of the company's software is focused on expanding product lines, designing enhancements to the core technology and integrating existing and new products into the company's principal software architecture and platform technology. The company intends to offer regular updates to its products and to continue to look for opportunities to expand its existing product suite. The company continues to develop component collections which operate with the scientific operating platform to offer its customers advanced scientific functions such as image, text and chemical analysis. In addition, the scientific operating platform provides the underlying platform on which the company has built many of its modelling, simulation and informatics solutions thus delivering a fully integrated experience for the company's customers.

Directors

The directors who served the company during the year and to the date of this report, except as stated otherwise, were as follows:

S M Carnecchia
S J Chadwick
J Jenkins (appointed 28 April 2015)
E S Palmer (appointed 1 October 2014, resigned 28 April 2015)

Going concern

The company is dependent on the continued financial support of its immediate parent undertaking at the date of this report being Dassault Systèmes UK Ltd. The immediate parent undertaking has stated that adequate support will be made available for the foreseeable future to enable the company to meet its liabilities as they fall due. Both companies are part of the Dassault Systèmes SE cash pooling arrangement, which give the company access to cash resources of €2,281 million. The directors have assessed the combination of facts and circumstances with regard to the appropriateness of preparing the financial statements on a going concern basis. No material uncertainty related to the events or conditions that may cast significant doubt about the ability of the company to continue as a going concern have been identified. Accordingly the financial statements are prepared on the going concern basis.

Directors' and officers' indemnity insurance

The ultimate parent has taken out insurance to indemnify, against third party proceedings, the directors of the company whilst serving on the board of the company. These indemnity policies existed throughout the year and remain in place at the date of this report.

Political donations

No political donations were made by the company in the current or prior year.

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Directors' report *(continued)*

Statement as to disclosure of information to auditor

The directors who were members of the board at the time of approving this report, are listed above. Having made enquiries of the company's auditor, each of these directors confirms that:

- To the best of their knowledge and belief, there is no information relevant to the preparation of this report of which the company's auditor is unaware; and
- They have 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 auditor is aware of that information.

Signed on behalf of the board

Jane Jenkins
Director
15 July 2016

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' 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), including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state 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 are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Independent auditor's report
to the members of Dassault Systèmes Biovia Limited

We have audited the financial statements of Dassault Systèmes Biovia Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and the related notes 1 to 24. 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) including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland".

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 auditor
As explained more fully in the Statement of Directors' Responsibilities set out on page 7, 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 annual report and the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland";
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Directors' 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

Rachel Wilden (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, UK.
20 July 2016

Statement of Comprehensive Income
for the year ended 31 December 2015

	Notes	*2015* *£'000*	*2014* *£'000*
Turnover	2	20,499	18,358
Cost of sales		(13,050)	(9,959)
Gross profit		7,449	8,399
Administrative expenses		(8,870)	(10,240)
Other operating income			
- intercompany loan waiver	3	19,394	-
- other	3	2,545	2,211
Operating profit	3	20,518	370
Interest receivable	6	2	4
Interest payable and similar charges	7	(82)	(174)
Profit on ordinary activities before taxation		20,438	200
Tax on profit on ordinary activities	8	334	(42)
Profit for the financial year		20,772	158
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		20,772	158

All amounts derive from continuing operations.

Statement of Changes in Equity
for the year ended 31 December 2015

	Share capital *£'000*	*Capital contribution* *£'000*	*Profit and loss account* *£'000*	*Total share-holders' deficit* *£'000*
At 1 January 2014	–	68	(28,771)	(28,703)
Profit for the year	–	–	158	158
Credit to equity for share based payments	–	–	579	579
Equity settled share based payments recharged by parent undertaking	–	–	(809)	(809)
At 31 December 2014	–	68	(28,843)	(28,775)
Profit for the year	–	–	20,772	20,772
Credit to equity for share based payments	–	–	–	–
Equity settled share based payments recharged by ultimate parent undertaking	–	–	–	–
At 31 December 2015	–	68	(8,071)	(8,003)

Statement of Financial Position
at 31 December 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Intangible fixed assets	9	277	128
Tangible fixed assets	10	686	504
		963	632
Current assets			
Debtors	11	5,805	9,531
Cash at bank and in hand	12	860	605
		6,665	10,136
Creditors: amounts falling due within one year	13	(15,526)	(38,728)
Net current liabilities		(8,861)	(28,592)
Total assets less current liabilities		(7,898)	(27,960)
Creditors: amounts falling due after more than one year	14	–	(499)
Provision for liabilities	15	(105)	(316)
Net assets		(8,003)	(28,775)
Capital and reserves			
Called up share capital	21	-	-
Capital contribution	22	68	68
Profit and loss account		(8,071)	(28,843)
Equity Shareholders' deficit		(8,003)	(28,775)

The financial statements were approved by the directors and authorised for issue on the 15 July 2016, and were signed by:

Jane Jenkins
Director

Company Registered number: 2326316

Notes to the financial statements
for the year ended 31 December 2015

1. Accounting policies

Basis of preparation
The financial statements are prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 31 December 2015. The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

The financial statements are prepared in sterling, as it is the functional currency of the company, and rounded to the nearest £'000.

The company has taken advantage of the following disclosure exemptions under FRS102 reduced disclosure framework:

a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
c) The requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A.
d) The requirements of Section 12 Other Financial Instruments Issues paragraphs 12.26 to 12.29A.:

Cash and cash equivalents
Cash and cash equivalents in the statement of financial position, comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Deferred taxation
Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income, that arise from the inclusion of income and expenses in tax assessment in periods different from those in which they are recognized in the financial statements, except that:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable 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.

Foreign currencies
Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

Going concern
The company is dependent on the continued financial support of its immediate parent undertaking at the date of approval of the financial statements, being Dassault Systèmes UK Ltd. The immediate parent undertaking has stated that adequate support will be made available for the foreseeable future to enable the company to meet its liabilities as they fall due. Both companies are part of the Dassault Systèmes SE cash pooling arrangement, which give the company access to cash resources of €2,281 million.

The directors have assessed the combination of facts and circumstances with regard to the appropriateness of preparing the financial statements on a going concern basis. No material uncertainty related to the events or conditions that may cast significant doubt about the ability of the company to continue as a going concern have been identified. Accordingly the financial statements are prepared on the going concern basis.

Goodwill
Goodwill represents the excess of the consideration payable over the fair value of the net assets acquired at the acquisition date. Goodwill is capitalized and is amortised on a straight-line basis over its useful economic life which is currently considered to be 7 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Notes to the financial statements
for the year ended 31 December 2015

Government grants
Government grants are recognized when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Impairment
Goodwill and intangible assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

The recoverable amount is the higher of an asset's fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate based upon the company's weighted average cost of capital that reflects current market assessments of the time value of money and specific risks to the company.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

Intangible fixed assets
Intangible fixed assets are stated at cost less accumulated depreciation and provision for impairment losses.

Software Equipment - over 3 years

The carrying value of intangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Interest-bearing loans and borrowings
All interest-bearing loans and borrowings which are basic financial instruments, are initially recognised at the present value of cash payable (including interest). After initial recognition, they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in the finance revenue in the income statement.

Judgments and key sources of estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities, as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Goodwill and intangible assets
The company establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors, such as the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Operating lease commitments
The company as a lessee obtains the use of property and equipment. The classification of such leases as operating or finance leases requires the company to determine, based upon an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Taxation
The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Notes to the financial statements
for the year ended 31 December 2015

Management is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Operating lease agreements
Rentals payable under operating leases are charged in the income statement on a straight-line basis over the lease term. Lease incentives are recognized over the life of the lease.

Pension costs
The company operates personal pension arrangements for its employees. Contributions are charged to the income statment as they become payable.

Provision for liabilities
A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation.

Research and development
Research and development expenditure is written off in the income statement in the year that it is incurred.

Revenue recognition
License, maintenance and subscription revenue is recognised over the period to which the contract relates. If services are sold with licenses/maintenance, then such service revenue is recognised over the same period as the related license/maintenance revenue. Otherwise service revenue is recognised on a percentage of completion as the services are delivered.

Short-term debtors and creditors
Debtors and creditors with no stated interest rate and receivable or payable within one year, are recorded at transaction price. Any losses arising from impairment are recognised in the income statements in other operating expenses.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful economic life, as follows:

Leasehold improvements	-	period of lease
Equipment	-	over 3 years
Fixtures and fittings	-	over 3 years

The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Notes to the financial statements
for the year ended 31 December 2015

2. Turnover

Turnover represents revenues from goods sold and services provided to third parties and to a sister company in the United States of America, excluding VAT.

	2015 *£'000*	2014 *£'000*
External turnover	16,227	14,569
Turnover from group undertakings	4,272	3,789
	20,499	18,358

Turnover and operating profit are attributable to the principal activities of the company.

An analysis of turnover by class and geographical area has been omitted as permitted by the Companies Act 2006 as the directors consider it to be seriously prejudicial.

3. Operating profit

Operating profit is stated after charging/(crediting):

	2015 *£'000*	2014 *£'000*
Auditor's remuneration for the audit of the company's financial statements	65	60
Research and development expenditure written off, included within COS	3,938	3,301
- Research & development expenditure credit	(268)	(321)
Depreciation of owned tangible fixed assets	205	186
Amortisation of goodwill	26	27
Amortisation of intangible fixed assets	40	7
Operating lease rentals - land and buildings (net of provisions)	890	890
Less sub lease rental income	(252)	(319)
Exceptional items		
- Release of onerous lease provision	(162)	-
Net (gains)/losses on foreign currency transactions	(290)	(1)

Other operating income:

Management fees charged to other group undertakings	(2,541)	(2,201)
Intercompany loans waiver	(19,394)	-
Other	(4)	(10)
	(21,939)	(2,211)

4. Staff costs

	2015 *£'000*	*2014* *£'000*
Wages and salaries	7,569	7,698
Equity settled share based payments	-	579
Social security costs	848	844
Pension costs (see note 16)	486	478
Other benefits	249	237
	9,152	9,836

Notes to the financial statements
for the year ended 31 December 2015

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

	2015	2014
	No.	No.
Development, sales and marketing	101	103
Office management	16	14
	117	117

5. Directors' remuneration

	2015	2014
	£'000	£'000
Aggregate remuneration in respect of qualifying services	-	-
Compensation for loss of office	-	-
	-	-
Value of company contributions to personal pension arrangements	-	-
	No.	No.
Members of personal defined contribution pension schemes, to which the company contributes	-	-
Members of personal defined benefit pension schemes	-	-
Number of directors who exercised share options	-	-
Number of directors who received shares for qualifying service	-	-

All of the directors of the company, in both the current and prior year, were employed and remunerated by other group companies. The directors received total remuneration of £1,308K (2014: £920K) plus pension contributions to defined contribution pension schemes of £26K (2014: £17K). The directors do not believe that it is practicable to apportion this amount between their qualifying services as director of the company and their services as director of the immediate parent company and other fellow group undertakings.

The aggregate emoluments of the highest paid director was £840K (2014: £448K) and company pension contributions of £7K (2014: £7K) were made to a money purchase scheme on his behalf.

Key management personnel
Certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company, are considered to be key management personnel. Total remuneration in respect of these individuals is £731K (2014 - £765K).

6. Interest receivable

	2015	2014
	£'000	£'000
Bank interest receivable	2	4

Notes to the financial statements
for the year ended 31 December 2015

7. Interest payable and similar charges

	2015 *£'000*	*2014* *£'000*
Interest on intergroup loan	82	163
Unwinding of discount on vacant property provision	-	11
	82	174

8. Tax on profit on ordinary activities

(a) Analysis of tax credit in the year

The tax (credit)/charge is comprised as follows:

	2015 *£'000*	*2014* *£'000*
Current tax:		
UK Corporation tax on profit for the year at 20.25% (2014: 21.49%)	54	52
Adjustment in respect of prior years	(249)	40
	(195)	92
Deferred tax (see note 8c):		
Current year	(139)	(50)
Effect of changes in tax rates	-	-
	(139)	(50)
Tax on profit on ordinary activities	(334)	42

(b) Factors affecting total tax charge

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%). The differences are explained below:

	2015 *£'000*	*2014* *£'000*
Profit on ordinary activities before taxation	20,438	200
Tax on profit at standard UK tax rate of 20.25% (2014: 21.49%)	4,139	43
Expenses not deductible for tax purposes	84	36
Income not taxable for tax purposes	(3,927)	-
Income not taxable – RDEC	(19)	(37)
Income not taxable – share options	-	(264)
RDEC	54	52
Movement on deferred tax not recognized	(418)	168
Effect of changes in tax rates	2	4
Adjustment in respect of prior years	(249)	40
Total tax (credit)/charge for the year (see note 8(a))	(334)	42

Notes to the financial statements
for the year ended 31 December 2015

(c) Deferred tax

The deferred tax asset recognised in the financial statements and the amounts not recognised are as follows:

	2015		*2014*	
	Recognised £'000	*Not recognised £'000*	*Recognised £'000*	*Not recognised £'000*
Capital allowances in advance of depreciation	-	978	-	1,268
Tax losses available	293	4,679	154	5,828
R&D expenditure credit	-	111	-	92
Short term timing differences	-	19	-	16
	293	5,787	154	7,204

A deferred tax asset relating to trading tax losses has been recognised in the financial statements to the extent the directors consider it probable that the tax losses will be utilised in the foreseeable future. The directors expect the deferred tax asset to be utilized in the coming year.

(d) Factors that may affect future charges

The Finance Act 2014, enacted on 17 July 2014, reduced the UK main rate of corporation tax to 20% from 1 April 2015. In his budgets of 8 July 2015 and 16 March 2016, the Chancellor of the Exchequer announced tax rate changes which will have an effect on the company's future tax position. These additional changes will reduce the standard rate of UK corporation tax from 20% to 19% from 1 April 2017 and 17% from 1 April 2020. As all but the final change were substantially enacted at the balance sheet, deferred tax has been calculated accordingly in these financial statements. The above changes to the rate of corporation tax will impact the amount of future cash tax payments to be made by the company.

9. Intangible fixed assets

	Software £'000	*Goodwill* £'000	*Total* £'000
Cost:			
At 1 January 2015	25	179	204
Additions	215	-	215
Disposals	-	-	-
At 31 December 2015	240	179	419
Depreciation:			
At 1 January 2015	18	58	76
Charge for the year	40	26	66
Disposals	-	-	-
At 31 December 2015	58	84	142
Net book value:			
At 31 December 2015	182	95	277
At 31 December 2014	7	121	128

Goodwill arose on the acquisition of the trade and assets of Symyx Technologies (UK) Limited on 30 September 2012 and is being amortised over the directors' estimate of its useful economic life of 7 years.

Notes to the financial statements
for the year ended 31 December 2015

10. Tangible fixed assets

	Leasehold improvements £'000	*Equipment* £'000	*Fixtures and fittings* £'000	*Total* £'000
Cost:				
At 1 January 2015	1,081	854	21	1,956
Additions	56	321	10	387
Disposals	-	-	(10)	(10)
At 31 December 2015	1,137	1,175	21	2,333
Depreciation:				
At 1 January 2015	703	728	21	1,452
Charge for the year	58	137	10	205
Disposals	-	-	(10)	(10)
At 31 December 2015	761	865	21	1,647
Net book value:				
At 31 December 2015	376	310	-	686
At 31 December 2014	378	126	-	504

11. Debtors

	2015 *£'000*	*2014* *£'000*
Trade debtors	4,450	8,359
Amounts owed by group undertakings	70	76
Other debtors	-	49
Prepayments and accrued income	589	663
Deferred tax asset (see note 8(c))	293	154
R&D tax claim	403	230
	5,805	9,531

12. Cash at bank and in hand

The cash at bank and in hand balance includes an amount of nil (2014: £194K) relating to the sub tenant's rent deposit.

Notes to the financial statements
for the year ended 31 December 2015

13. Creditors: amounts falling due within one year

	2015	*2014*
	£'000	*£'000*
Trade creditors	288	319
Amounts owed to group undertakings	2,551	24,775
Loan due to Dassault Systèmes SE	6,789	3,036
Accruals and deferred income	5,362	10,080
Other taxes and social security	536	518
	15,526	38,728

The loan from Dassault Systèmes SE, the ultimate parent undertaking at the balance sheet date, is unsecured and takes the form of cash pooling bank account.

14. Creditors: amounts falling due after more than one year

	2015	*2014*
	£'000	*£'000*
Accruals and deferred income	-	499

15. Provision for liabilities

	Dilapidation provision	*Onerous lease provision*	*Total*
	£'000	*£'000*	*£'000*
At 1 January 2015	105	211	316
Utilisation of the provision	-	(49)	(49)
Increase in provision	-	-	-
Decrease in provision	-	(162)	(162)
At 31 December 2015	105	-	105

Dilapidation

£105K relates to a lease which expires in 2022 under which the company is liable to restore the building to its original state. The cost is expected to be incurred at the end of the lease.

16. Pensions

The company operates Personal Pension arrangements for its employees. The pension charge for the year amounted to £486K (2014: £478K). Contributions amounting to £80K were outstanding at the year-end (2014: £82K).

17. Commitments under operating leases

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and buildings	
	2015	2014
	£'000	*£'000*
Amounts Payable:		
Not later than one year	890	890
Later than one year and not later than five years	3,560	3,560
Later than five years	1,112	2,002
	5,562	6,452

Notes to the financial statements
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18. Related party transactions
At 31 December 2015 the company was a wholly owned subsidiary of Dassault Systèmes UK Limited, whose ultimate parent company is Dassault Systèmes SE for which the consolidated financial statements are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 102 from disclosing transactions with other wholly owned group companies.

19. Off-balance sheet arrangements
The company enters into operating lease arrangements for the hire of buildings, as these arrangements are a cost efficient way of obtaining the short term benefit of these assets. The lease rental expense is disclosed in note 3 and the company's commitments under these arrangements are disclosed in note 17. There are no other material off-balance sheet arrangements.

20. Capital commitments
There are no capital commitments contracted but not provided for as at 31 December 2015 (2014 £nil).

21. Share capital

	Allotted, called up and fully paid	
	2015	2014
	£	*£*
103 Ordinary shares of £1 each	103	103

22. Reserves
Capital contribution
This reserve records the non-refundable capital that has been invested.

23. Ultimate parent undertaking and controlling party
As of 31 December 2015, the company's immediate parent company was Dassault Systèmes UK Limited.

The smallest and largest group in which the results of the company for the year ended 31 December 2015 are included, was headed by Dassault Systèmes SE and the consolidated financial statements of this group is available to the public and may be obtained from their website.

In June 2015, Dassault Systèmes SA became a European company and thus renamed to Dassault Systèmes SE. Dassault Systèmes SE is controlled by Groupe Industriel Marcel Dassault SAS as holder of 41.18% of the shares and 55.53% of the voting rights of Dassault Systèmes SE as of 31 December 2015.

24. Transition to FRS 102
The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014.

The impact from the transition to FRS 102, on both accounting policies and equity, are as follows:

Equity shareholders' funds
There was no impact on the equity shareholders' funds as at 1 January 2014 or at 31 December 2014, and hence no impact on the profit as previously reported for the year then ended.

Software assets
The company had previously classified software assets within tangible fixed assets, whereas under FRS 102 they are classified as intangible assets. Although the intangible and tangible net values have been adjusted, there is no net impact on the net liabilities of the company.

Deferred revenue
To comply with Section 2 of FRS 102 which defines assets and liabilities, deferred revenue for which the relating invoices are not due for payment at the year end has been removed from creditors along with the corresponding invoice amount from debtors. As a result both trade debtors and deferred revenue have been reduced by £286K as at 31 December 2014. There is no impact on the net liabilities of the company in this

Notes to the financial statements
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regard.

Transitional relief
On transition to FRS 102 from previous UK GAAP, the company has taken advantage of transitional reliefs as follows:

Business combinations
The company has elected not to apply Section 19 Business Combinations and Goodwill to business combinations that were effected before the date of transition to FRS 102. No adjustment has been made to the carrying value of goodwill and intangible assets subsumed within goodwill have not been separately recognized.

Share based payment transactions
The company has elected not to apply Section 26 Share based payment to equity instructions granted before the date of transition to FRS 102. FRS 20 has been applied to instruments granted prior to the date of transition.

Lease incentives
The company has not applied paragraphs 20.15A or 20.25A to lease incentives where the lease commenced before the date of transition to FRS 102. It has continued to recognize any residual benefit or cost associated with these lease incentives on the same basis that applied prior to transition to FRS 102.