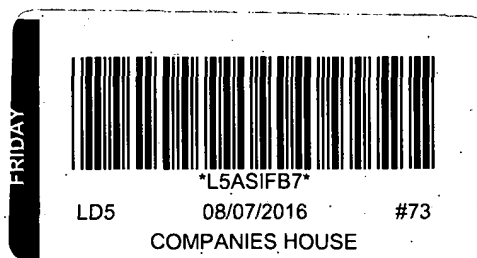


Company Registration No. 03895729 (England and Wales)

AB INITIO SOFTWARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



AB INITIO SOFTWARE LIMITED

COMPANY INFORMATION

Directors	C Lasser A Parker W Bennett	(Appointed 26 May 2016)
Company number	03895729	
Registered office	1st Floor 236 Gray's Inn Road London WC1X 8HB	
Auditors	Frank Hirth & Co LLP 1st Floor 236 Gray's Inn Road London WC1X 8HB	

AB INITIO SOFTWARE LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Consolidated statement of comprehensive income (including the 7 profit and loss account)	
Group balance sheet	8
Company balance sheet	9
Group statement of changes in equity	10
Company statement of changes in equity	11
Consolidated statement of cash flows	12
Notes to the financial statements	13 - 23

AB INITIO SOFTWARE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

The Strategic Report provides a review of the business for the financial year and describes how to manage risks.

The report outlines the developments and performance of the company during the financial year, the position at the end of the year and discusses the main trends and factors that could affect the future.

Key performance indicators are published to show the performance and position of the company.

Review of the business

The company's principal activity continues to be that of the provision of services to third parties and the parent company. The directors are broadly satisfied with the performance of the business in 2015. The group's turnover increased this year by 16.3% to £20.6m (2014: £17.7m) and the group achieved a net profit after taxation of £2.5m (2014: £1.4m). The group and company continues to maintain a healthy balance sheet. The directors continue to focus on providing a quality service to its clients and are therefore confident that the group will sustain its growth and that profitability will continue for the foreseeable future.

Risks and uncertainties

There are a number of risks and uncertainties which could impact the performance of the company and group. The group operates a structured risk management process which identifies, evaluates and prioritises risks and uncertainties and reviews mitigation activity.

As a provider of service, the group is dependent on its human resources. By concentrating time and financial resources on recruitment, training and development programs, the directors hope to minimise the risk of excessive staff movements and loss of key personnel.

The group relies heavily on the supply of software from its US parent company and any delays or interruptions in software development could unfavourably affect the performance of the UK group. However, the group has a sophisticated infrastructure in place to reduce the likelihood of projects being deferred.

The group's principal foreign currency exposures arise from trading with overseas companies. The group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

As with all industry sectors, general economic conditions, customer preference and competitor activity may have an adverse effect on the group's results. However, the mix and diversity of the parent company and group clients should mitigate significant volatility.

AB INITIO SOFTWARE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

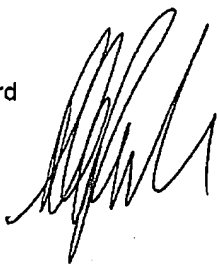
Key performance indicators

	2012	2013	2014	2015
	£m	£m	£m	£m
Turnover	17.877	18.897	17.706	20.585
Net profit	1.540	1.797	1.447	2.477
Net assets	9.815	11.578	12.820	15.079
Cash	0.645	0.703	0.966	1.234

The turnover has increased from £17.877m in 2012 to £20.585m in 2015. This is due to an increase in the demand to provide services to group entities as a result of an increase in the average number of employees from 68 in 2011 to 87 in 2015.

Net assets has increased by £2.258m from 2014 due to profits represented by an increase in amounts owed by the parent undertaking by £2.237m.

On behalf of the board



A Parker
Director
29 June 2016

AB INITIO SOFTWARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their Annual Report and financial statements for the year ended 31 December 2015.

See the Strategic Report for details of future developments and risk management.

Principal activities

The principal activity of the group continued to be that of acting as software consultants to its parent company and providing training services to third parties.

Branches

The company has a branch in Australia.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C Lasser

A Parker

J Burke

W Bennett

(Resigned 26 May 2016)

(Appointed 26 May 2016)

Results and dividends

The results for the year are set out on page 7.

The directors do not recommend payment of an ordinary dividend.

Statement of directors' responsibilities

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and parent company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 group and parent company financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the parent company will continue in business.

The directors are responsible for keeping adequate 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 the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AB INITIO SOFTWARE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board

A Parker
Director
29 June 2016





INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AB INITIO SOFTWARE LIMITED

We have audited the financial statements of Ab Initio Software Limited for the year ended 31 December 2015 set out on pages 7 to 23. 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 in 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 Directors' Responsibilities Statement set out on pages 3 - 4, 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent 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; and
- 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.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF AB INITIO SOFTWARE LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Miss Nicola Anne Jones FCCA (Senior Statutory Auditor)
for and on behalf of Frank Hirth & Co LLP
Statutory Auditor

29 June 2016

1st Floor
236 Gray's Inn Road
London
WC1X 8HB

AB INITIO SOFTWARE LIMITED

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME (INCLUDING THE PROFIT AND LOSS ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	2	20,584,928	17,705,893
Cost of sales		(2,871,729)	(2,429,123)
Gross profit		17,713,199	15,276,770
Administrative expenses		(14,432,281)	(13,049,740)
Operating profit	3	3,280,918	2,227,030
Interest receivable and similar income		2,023	1,228
Profit before taxation		3,282,941	2,228,258
Taxation	7	(805,883)	(781,736)
Profit for the financial year	16	2,477,058	1,446,522
Other comprehensive income			
Currency translation differences		(218,698)	(203,740)
Total comprehensive income for the year		2,258,360	1,242,782

Total comprehensive income for the year is all attributable to the owners of the parent company.

The group profit and loss account for the current and comparative periods have been prepared on the basis that all operations are continuing operations.

AB INITIO SOFTWARE LIMITED

GROUP BALANCE SHEET

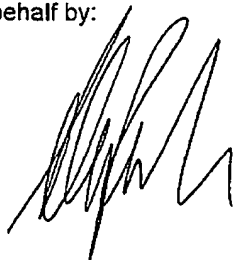
AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	8		1,600,028		1,754,451
Current assets					
Debtors	11	14,646,331		11,564,074	
Cash at bank and in hand		1,233,650		965,822	
		<u>15,879,981</u>		<u>12,529,896</u>	
Creditors: amounts falling due within one year	12	<u>(2,379,561)</u>		<u>(1,392,284)</u>	
Net current assets			<u>13,500,420</u>		<u>11,137,612</u>
Total assets less current liabilities			<u>15,100,448</u>		<u>12,892,063</u>
Provisions for liabilities			<u>(21,644)</u>		<u>(71,619)</u>
Net assets			<u><u>15,078,804</u></u>		<u><u>12,820,444</u></u>
Capital and reserves					
Called up share capital	15		1		1
Profit and loss reserves	16		<u>15,078,803</u>		<u>12,820,443</u>
Equity attributable to owners of the parent company			<u><u>15,078,804</u></u>		<u><u>12,820,444</u></u>

Under Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

The financial statements were approved by the board of directors and authorised for issue on 29 June 2016 and are signed on its behalf by:

A Parker
Director



AB INITIO SOFTWARE LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	8	1,477,512		1,680,351	
Investments	9	22,142		22,142	
		<u>1,499,654</u>		<u>1,702,493</u>	
Current assets					
Debtors	11	14,341,393	11,305,650		
Cash at bank and in hand		842,645	711,140		
		<u>15,184,038</u>	<u>12,016,790</u>		
Creditors: amounts falling due within one year	12	<u>(4,787,259)</u>	<u>(3,851,900)</u>		
Net current assets		<u>10,396,779</u>		<u>8,164,890</u>	
Total assets less current liabilities		<u>11,896,433</u>		<u>9,867,383</u>	
Provisions for liabilities	13	<u>(21,644)</u>		<u>(71,619)</u>	
Net assets		<u><u>11,874,789</u></u>		<u><u>9,795,764</u></u>	
Capital and reserves					
Called up share capital	15	1	1		
Profit and loss reserves	16	11,874,788	9,795,763		
Total equity		<u><u>11,874,789</u></u>		<u><u>9,795,764</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 29 June 2016 and are signed on its behalf by:

A Parker
Director

Company Registration No. 03895729

AB INITIO SOFTWARE LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		1	11,577,661	11,577,662
Year ended 31 December 2014:				
Profit for the year		-	1,446,522	1,446,522
Other comprehensive income:				
Currency translation differences on overseas subsidiaries		-	(203,740)	(203,740)
Total comprehensive income for the year		-	1,242,782	1,242,782
Balance at 31 December 2014		1	12,820,443	12,820,444
Year ended 31 December 2015:				
Profit for the year		-	2,477,058	2,477,058
Other comprehensive income:				
Currency translation differences on overseas subsidiaries		-	(218,698)	(218,698)
Total comprehensive income for the year		-	2,258,360	2,258,360
Balance at 31 December 2015		1	15,078,803	15,078,804

AB INITIO SOFTWARE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		1	8,730,364	8,730,365
Year ended 31 December 2014:				
Profit for the year		-	1,080,706	1,080,706
Other comprehensive income:				
Currency translation differences		-	(15,307)	(15,307)
Total comprehensive income for the year		-	1,065,399	1,065,399
Balance at 31 December 2014		1	9,795,763	9,795,764
Year ended 31 December 2015:				
Profit for the year		-	2,111,692	2,111,692
Other comprehensive income:				
Currency translation differences		-	(32,667)	(32,667)
Total comprehensive income for the year		-	2,079,025	2,079,025
Balance at 31 December 2015		1	11,874,788	11,874,789

AB INITIO SOFTWARE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	20	1,128,352		1,026,514	
Income taxes paid		(751,821)		(688,822)	
Net cash inflow from operating activities		376,531		337,692	
Investing activities					
Purchase of tangible fixed assets		(130,527)		(81,890)	
Proceeds on disposal of tangible fixed assets		19,801		5,373	
Interest received		2,023		1,228	
Net cash used in investing activities		(108,703)		(75,289)	
Net increase in cash and cash equivalents		267,828		262,403	
Cash and cash equivalents at beginning of year		965,822		703,419	
Cash and cash equivalents at end of year		1,233,650		965,822	

AB INITIO SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Ab Initio Software Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is 1st Floor, 236 Gray's Inn Road, London, WC1X 8HB. The business address is 3 The Heights, Brooklands, Weybridge, Surrey, KT13 ONY.

The Group consists of Ab Initio Software Limited and its wholly owned subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 and Financial Reporting Council Abstracts.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 December 2015 are the first financial statements of Ab Initio Software Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102. Certain comparative figures have been re-analysed to conform to FRS 102 disclosures.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Ab Initio Software Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2015. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions and balances between group companies are eliminated on consolidation.

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

AB INITIO SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

1.4 Turnover

Turnover represents the fair value of consultancy and training services provided during the period to clients. Turnover is recognised as contract activity progresses and the right to consideration is earned. Fair value reflects the amount expected to be recoverable from clients and is based on services provided and expenses incurred, but excludes VAT.

Revenue from the sale of services is recognised when the significant risks and rewards have passed on to the buyer (usually when the buyer has received the service), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Short leasehold land and buildings	Over the period of the lease
Fixtures, fittings and equipment	Over 7, 5, 4 or 3 years at 14.3%, 20%, 25% or 33.3% per annum respectively

The profit or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

Equity instruments which are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

AB INITIO SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Debtors and creditors

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans and other debtors receivable are measured initially at fair value, net of transaction costs; and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors and other current creditors payable on demand are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account or other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority. Deferred tax is not discounted.

1.12 Employee benefits

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

AB INITIO SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

1.13 Retirement benefits

The group contributes to a group pension scheme and government schemes for certain employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates 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 of these differences are taken to the profit and loss account. The profit and loss accounts of overseas operations are translated into sterling at average rates. The balance sheets of overseas operations are translated into sterling at the closing rates. Material exchange differences arising from translation of the results of overseas operations are recorded as movements on reserves.

2 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2015 £	2014 £
Turnover		
Rendering of services	20,584,928	17,705,893

Turnover analysed by geographical market

	2015 £	2014 £
North America	19,272,921	17,461,961
Rest of Europe	28,590	215,609
UK	1,283,417	28,323
	20,584,928	17,705,893

3 Operating profit/(loss)

	2015 £	2014 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange gains	(177,603)	(179,479)
Depreciation of owned tangible fixed assets	265,149	248,889
Operating lease charges	547,862	904,512

AB INITIO SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

4 Auditor's remuneration

	2015	2014
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	23,200	43,500
For other services		
Taxation compliance services	6,780	8,410
All other non-audit services	22,921	19,740
	<u>29,701</u>	<u>28,150</u>

5 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2015	2014
	Number	Number
Administration	8	8
Sales/consultants	79	77
	<u>87</u>	<u>85</u>

Their aggregate remuneration comprised:

	2015	2014
	£	£
Wages and salaries	10,325,815	9,254,602
Social security costs	1,501,959	1,419,267
Pension costs	302,798	247,728
	<u>12,130,572</u>	<u>10,921,597</u>

6 Directors' remuneration

	2015	2014
	£	£
Remuneration for qualifying services	<u>218,525</u>	<u>218,525</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>218,525</u>	<u>218,525</u>
--------------------------------------	----------------	----------------

AB INITIO SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

7 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	518,196	271,563
Foreign current tax on profits for the current period	337,662	360,014
Total current tax	855,858	631,577
Deferred tax		
Origination and reversal of timing differences	(49,975)	150,159
Total tax charge	805,883	781,736

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	3,282,941	2,228,258
Expected tax charge based on the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%)	664,796	479,075
Tax effect of expenses that are not deductible in determining taxable profit	38,332	23,696
Change in unrecognised deferred tax assets	(49,975)	150,159
Permanent capital allowances in excess of depreciation	(26,892)	(46,534)
Depreciation on assets not qualifying for tax allowances	52,238	54,245
Other permanent differences	75,080	-
Effect of overseas tax rates	23,986	30,144
Other foreign taxes	52,232	20,864
Other adjustments	(4,276)	22,217
Provisions adjustments	2,853	786
Unrelieved foreign tax	(22,491)	47,084
Tax expense for the year	805,883	781,736

AB INITIO SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

8 Tangible fixed assets

Group	Short leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2015	1,798,286	497,289	2,295,575
Additions	104,101	26,426	130,527
Disposals	-	(21,661)	(21,661)
At 31 December 2015	1,902,387	502,054	2,404,441
Depreciation and impairment			
At 1 January 2015	364,887	176,237	541,124
Depreciation charged in the year	208,552	56,597	265,149
Eliminated in respect of disposals	-	(1,860)	(1,860)
At 31 December 2015	573,439	230,974	804,413
Carrying amount			
At 31 December 2015	1,328,948	271,080	1,600,028
At 31 December 2014	1,433,402	321,049	1,754,451
Company			
	Short leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2015	1,592,782	378,174	1,970,956
Additions	-	19,480	19,480
Disposals	-	(1,860)	(1,860)
At 31 December 2015	1,592,782	395,794	1,988,576
Depreciation and impairment			
At 1 January 2015	206,306	84,299	290,605
Depreciation charged in the year	163,918	58,401	222,319
Eliminated in respect of disposals	-	(1,860)	(1,860)
At 31 December 2015	370,224	140,840	511,064
Carrying amount			
At 31 December 2015	1,222,558	254,954	1,477,512
At 31 December 2014	1,386,476	293,875	1,680,351

AB INITIO SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

9 Fixed asset investments

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Investments in subsidiaries	10	-	-	22,142	22,142

10 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct
Sarl Ab Initio Software France	Software Consultancy	Ordinary	100.00
Ab Initio Software GmbH Germany	Software Consultancy	Ordinary	100.00

The results and balances of the two wholly owned subsidiaries have been included in the financial statements.

11 Debtors

	Group 2015 £	2014 £	Company 2015 £	2014 £
Amounts falling due within one year:				
Trade debtors	818,089	95,224	813,625	17,587
Amount due from parent undertaking	13,248,873	11,012,220	13,248,872	11,011,632
Other debtors	188,044	233,997	48,695	142,275
Prepayments and accrued income	391,325	222,633	230,201	134,156
	<u>14,646,331</u>	<u>11,564,074</u>	<u>14,341,393</u>	<u>11,305,650</u>

12 Creditors: amounts falling due within one year

	Group 2015 £	2014 £	Company 2015 £	2014 £
Trade creditors	198,252	130,039	118,593	82,504
Amounts due to group undertakings	-	-	3,514,817	2,941,298
Corporation tax payable	275,438	171,401	216,069	140,402
Other taxation and social security	589,968	274,828	311,722	191,011
Other creditors	19,332	78,437	1,306	35,305
Accruals and deferred income	1,296,571	737,579	624,752	461,380
	<u>2,379,561</u>	<u>1,392,284</u>	<u>4,787,259</u>	<u>3,851,900</u>

AB INITIO SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
Group		
Accelerated capital allowances	21,644	71,619
	<u>21,644</u>	<u>71,619</u>
	Liabilities 2015 £	Liabilities 2014 £
Company		
Accelerated capital allowances	21,644	71,619
	<u>21,644</u>	<u>71,619</u>
	Group 2015 £	Company 2015 £
Movements in the year:		
Liability at 1 January 2015	71,619	71,619
Credit to profit and loss	(49,975)	(49,975)
	<u>21,644</u>	<u>21,644</u>
Liability at 31 December 2015	21,644	21,644

AB INITIO SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

14 Retirement benefit schemes

	2015	2014
	£	£
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	302,798	247,728

The company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the company. The company contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company with respect to the scheme is to make the specified contributions.

Government schemes

The group contributes to government schemes for certain employees. The assets of the schemes are held separately from those of the group in government administered funds.

For the company the pension cost charge represents contributions payable by the company to a scheme on behalf of Australian and UK employees of £90,488 (2014: £54,832).

For the group the pension cost charge includes contributions payable by the group to government schemes of £302,798 (2014: £247,728). Contributions totalling £13,555 (2014: £43,132) were payable to the schemes at the year end and are included in creditors.

15 Share capital

	Group and company	
	2015	2014
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1

16 Profit and loss reserves

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
At the beginning of the year	12,820,443	11,577,661	9,795,763	8,730,364
Profit/(loss) for the year	2,477,058	1,446,522	2,111,692	1,080,706
Currency translation differences	(218,698)	(203,740)	(32,667)	(15,307)
At the end of the year	15,078,803	12,820,443	11,874,788	9,795,763

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,035,080 (2014: £1,080,706) and the total comprehensive income for the year was £2,002,413 (2014: £1,065,399).

17 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties.

AB INITIO SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

17 Operating lease commitments (Continued)

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2015 £	2014 £	Company 2015 £	2014 £
Within one year	657,904	468,267	421,605	222,259
Between two and five years	2,108,136	2,086,278	1,368,836	1,358,177
In over five years	1,228,830	1,828,339	934,401	1,365,665
	<u>3,994,870</u>	<u>4,382,884</u>	<u>2,724,842</u>	<u>2,946,101</u>

18 Related party transactions

Under FRS102 - Related party disclosures, the company has taken advantage of the exemption for transactions and balances which are fully eliminated within the consolidated accounts. Accordingly, the transactions between subsidiary undertakings are not disclosed separately.

During the year the company provided services to its parent company of £19,272,921 (2014: £17,461,961). The balance owed by the parent company at the year end was £13,248,873 (2014: £11,012,220). This balance is interest free and is repayable on demand.

19 Controlling party

The parent company is Ab Initio Software LLC (2014: Ab Initio Software LLC), a company registered in the United States of America. The ultimate controlling party is S Handler (2014: S Handler) by virtue of their control of Ab Initio Software LLC.

20 Cash generated from group operations

	2015 £	2014 £
Profit for the year after tax	2,477,058	1,446,522
Adjustments for:		
Taxation charged	805,883	781,736
Investment income	(2,023)	(1,228)
Depreciation and impairment of tangible fixed assets	265,149	248,889
Net effect of foreign exchange differences	(218,698)	(203,740)
Movements in working capital:		
(Increase) in debtors	(3,082,257)	(1,078,482)
Increase/(decrease) in creditors	883,240	(167,183)
Cash generated from operations	<u>1,128,352</u>	<u>1,026,514</u>