

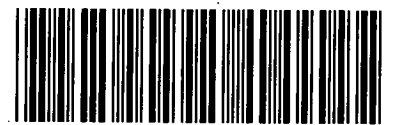
Company Registration No. 03895729 (England and Wales)

**AB INITIO SOFTWARE LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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# AB INITIO SOFTWARE LIMITED

## DIRECTORS AND ADVISERS

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**Directors**

C Lasser  
A C Parker  
J Burke

**Company number**

03895729

**Registered office**

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

**Registered auditors**

Frank Hirth & Co. LLP  
1st Floor  
236 Gray's Inn Road  
London  
WC1X 8HB

**Bankers**

National Westminster Bank Plc  
1 Bridge Street  
Leatherhead  
Surrey  
KT22 8BT

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# AB INITIO SOFTWARE LIMITED

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# AB INITIO SOFTWARE LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013.

#### Review of the business

The company's principle activity continues to be that of the provision of services to other entities in the group. The directors are broadly satisfied with the performance of the business in 2013. The group's turnover increased this year by 5.7% to £18.9m (2012: £17.9m) and the group achieved a net profit after taxation of £1.8m (2012: £1.5m). 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.

#### Key performance indicators

	2011	2012	2013
	£m	£m	£m
Turnover	14.821	17.877	18.897
Net profit	1.316	1.540	1.797
Net assets	8.318	9.815	11.578
Cash	1.459	0.645	0.703

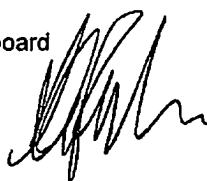
The turnover has increased from £14.821m in 2011 to £18.897m in 2013. This is due to an increase in the demand to provide services to group entities as a result of an increase in employees from 68 in 2011 to 79 in 2013.

Net assets has increased by £1.763m from 2012 due to additions of £1.6m to short leasehold land and buildings as a result of relocating the UK office.

On behalf of the board

A C Parker  
Director

24 September 2014



# **AB INITIO SOFTWARE LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2013***

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The directors present their report and financial statements for the year ended 31 December 2013.

#### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 6.

The directors do not recommend payment of an ordinary dividend.

#### **Branch**

The company has a branch in Australia.

#### **Directors**

The following directors have held office since 1 January 2013:

C Lasser  
A C Parker  
J Burke

#### **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 group and 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 2013***

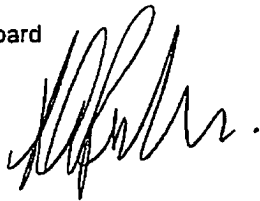
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### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418(3) of the Companies Act 2006) of which the company's auditors are unaware. Additionally, the directors 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 company's auditors are aware of that information.

On behalf of the board

A C Parker  
Director  
24 September 2014





**Frank  
Hirth**

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF AB INITIO SOFTWARE LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of Ab Initio Software Limited for the year ended 31 December 2013 set out on pages 6 to 22. 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).

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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 and 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 parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended; and
- 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**INDEPENDENT AUDITORS' REPORT (CONTINUED)**  
**TO THE MEMBERS OF AB INITIO SOFTWARE LIMITED**

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**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's 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.

**Nicola Anne Jones (Senior Statutory Auditor)**  
**for and on behalf of Frank Hirth & Co. LLP**  
**Chartered Certified Accountants**  
**Statutory Auditors**

24 September 2014



# AB INITIO SOFTWARE LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

		2013 £	2012 £
	Notes		
Turnover	2	18,896,689	17,877,018
Cost of sales		(2,913,165)	(3,009,897)
Gross profit		15,983,524	14,867,121
Administrative expenses		(13,672,477)	(12,714,996)
Operating profit	3	2,311,047	2,152,125
Other interest receivable and similar income		1,525	930
Profit on ordinary activities before taxation		2,312,572	2,153,055
Tax on profit on ordinary activities	4	(515,553)	(613,113)
Profit on ordinary activities after taxation		1,797,019	1,539,942

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# AB INITIO SOFTWARE LIMITED

## STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2013

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	2013 £	2012 £
Profit for the financial year	1,797,019	1,539,942
Currency translation differences on foreign currency net investments	<u>(34,151)</u>	<u>(43,386)</u>
Total recognised gains and losses relating to the year	<u><u>1,762,868</u></u>	<u><u>1,496,556</u></u>

The notes on pages 11 to 22 form part of these financial statements

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# AB INITIO SOFTWARE LIMITED

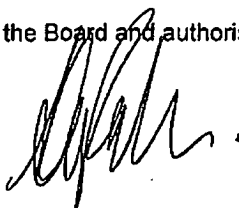
## BALANCE SHEETS

**AS AT 31 DECEMBER 2013**

	Notes	Group 2013 £	2012 £	Company 2013 £	2012 £
<b>Fixed assets</b>					
Tangible assets	6	1,926,823	139,875	1,823,869	28,356
Investments	7	-	-	22,142	22,142
		<u>1,926,823</u>	<u>139,875</u>	<u>1,846,011</u>	<u>50,498</u>
<b>Current assets</b>					
Debtors	8	10,564,132	10,482,702	10,265,968	10,367,669
Cash at bank and in hand		<u>703,419</u>	<u>645,152</u>	<u>494,693</u>	<u>145,709</u>
		11,267,551	11,127,854	10,760,661	10,513,378
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,616,712)</u>	<u>(1,452,935)</u>	<u>(3,876,307)</u>	<u>(3,165,240)</u>
<b>Net current assets</b>		<u>9,650,839</u>	<u>9,674,919</u>	<u>6,884,354</u>	<u>7,348,138</u>
<b>Net assets</b>		<u>11,577,662</u>	<u>9,814,794</u>	<u>8,730,365</u>	<u>7,398,636</u>
<b>Capital and reserves</b>					
Called up share capital	12	1	1	1	1
Profit and loss account	13	<u>11,577,661</u>	<u>9,814,793</u>	<u>8,730,364</u>	<u>7,398,635</u>
<b>Shareholders' funds</b>	14	<u>11,577,662</u>	<u>9,814,794</u>	<u>8,730,365</u>	<u>7,398,636</u>

Approved by the Board and authorised for issue on 24 September 2014

A C Parker  
Director



Company Registration No. 03895729 (England and Wales)

The notes on pages 11 to 22 form part of these financial statements

# AB INITIO SOFTWARE LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	£	2013 £	£	2012 £
<b>Net cash inflow/(outflow) from operating activities</b>		2,485,233		(193,029)
<b>Returns on investments and servicing of finance</b>				
Interest received	1,525		930	
<b>Net cash inflow for returns on investments and servicing of finance</b>		1,525		930
<b>Taxation</b>		(551,293)		(596,618)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(1,877,198)		(25,832)	
Receipts from sales of tangible assets	-		285	
<b>Net cash outflow for capital expenditure</b>		(1,877,198)		(25,547)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		58,267		(814,264)
<b>Increase/(decrease) in cash in the year</b>		58,267		(814,264)

The notes on pages 11 to 22 form part of these financial statements

# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2013	2012
		£	£
	Operating profit	2,311,047	2,152,125
	Depreciation of tangible assets	90,250	34,243
	Increase in debtors	(2,890)	(2,533,791)
	Increase in creditors within one year	120,977	197,780
	Net effect of foreign exchange differences	(34,151)	(43,386)
	Net cash inflow/(outflow) from operating activities	2,485,233	(193,029)

2	Analysis of net funds	1 January 2013	Cash flow	Other non-cash changes	31 December 2013
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	645,152	58,267	-	703,419
	Net funds	645,152	58,267	-	703,419

3	Reconciliation of net cash flow to movement in net funds	2013	2012
		£	£
	Increase/(decrease) in cash in the year	58,267	(814,264)
	Movement in net funds in the year	58,267	(814,264)
	Opening net funds	645,152	1,459,416
	Closing net funds	703,419	645,152

The notes on pages 11 to 22 form part of these financial statements

# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently throughout the year.

#### **1.3 Basis of consolidation**

The consolidated financial statements comprise the accounts of Ab Initio Software Limited and its wholly owned subsidiaries. Results of subsidiary undertakings are included up from the date of acquisition to the date of disposal. Inter-company profits, transactions and balances are eliminated on consolidation.

#### **1.4 Turnover**

Turnover represents amounts receivable for consultancy and training services provided net of VAT.

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

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

#### **1.6 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.7 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **1.8 Pensions**

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

#### **1.9 Deferred taxation**

The accounting policy in respect of deferred tax is in accordance with the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **1.10 Foreign currency translation**

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.

# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

#### Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2013 £	2012 £
<b>Geographical segment</b>		
North America	18,668,161	17,631,634
Europe	197,572	195,798
UK	30,956	49,586
	<u>18,896,689</u>	<u>17,877,018</u>

### 3 Operating profit

	2013 £	2012 £
Operating profit is stated after charging:		
Depreciation of tangible assets	90,250	34,243
(Profit)/loss on foreign exchange transactions	46,781	(6,510)
Operating lease rentals		
- Plant and machinery	-	1,221
- Other assets	973,649	627,761
	<u>973,649</u>	<u>627,761</u>

#### Auditors' remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts (company £33,500; 2012: £33,000)	33,500	33,000
Taxation compliance	4,900	6,200
Other services	19,178	17,909
	<u>57,578</u>	<u>57,109</u>

# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

4	Taxation	2013 £	2012 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	330,080	362,482
	<b>Foreign corporation tax</b>		
	Foreign corporation tax	264,013	250,631
	<b>Total current tax</b>	594,093	613,113
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(78,540)	-
		515,553	613,113
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	2,312,572	2,153,055
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012 - 24.50%)	537,673	527,498
	Effects of:		
	Non deductible expenses	55,504	35,141
	Depreciation add back	23,098	34,687
	Capital allowances	(96,234)	(6,591)
	Other foreign taxes	(38,474)	6,734
	Effect of different tax rates in other countries	65,710	13,495
	Other adjustments	670	803
	Provisions adjustments	(1,208)	(304)
	Unrelieved foreign tax	47,354	1,650
		56,420	85,615
	<b>Current tax charge for the year</b>	594,093	613,113

## 5 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2013 £	2012 £
Holding company's profit for the financial year	1,413,589	1,178,262



# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 6 Tangible fixed assets

#### Group

	Short leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 January 2013	191,675	153,011	344,686
Additions	1,564,248	312,950	1,877,198
	<u>1,755,923</u>	<u>465,961</u>	<u>2,221,884</u>
At 31 December 2013			
<b>Depreciation</b>			
At 1 January 2013	115,541	89,270	204,811
Charge for the year	65,394	24,856	90,250
	<u>180,935</u>	<u>114,126</u>	<u>295,061</u>
At 31 December 2013			
<b>Net book value</b>			
At 31 December 2013	<u>1,574,988</u>	<u>351,835</u>	<u>1,926,823</u>
At 31 December 2012	<u>76,134</u>	<u>63,741</u>	<u>139,875</u>

# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

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#### Tangible fixed assets

##### Company

	Short leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 January 2013	-	44,328	44,328
Additions	1,553,328	303,939	1,857,267
	<hr/>	<hr/>	<hr/>
At 31 December 2013	1,553,328	348,267	1,901,595
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 January 2013	-	15,972	15,972
Charge for the year	44,732	17,022	61,754
	<hr/>	<hr/>	<hr/>
At 31 December 2013	44,732	32,994	77,726
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2013	1,508,596	315,273	1,823,869
	<hr/>	<hr/>	<hr/>
At 31 December 2012	-	28,356	28,356
	<hr/>	<hr/>	<hr/>

# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 7 Fixed asset investments

#### Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2013 & at 31 December 2013	22,142
<b>Net book value</b>	
At 31 December 2013	22,142
At 31 December 2012	22,142

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

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

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Sarl Ab Initio Software	France	Ordinary	100
Ab Initio Software GmbH	Germany	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Sarl Ab Initio Software	Software consultancy
Ab Initio Software GmbH	Software consultancy

# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

### 8 Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	126,528	23,406	26,237	8,172
Amounts owed by group undertakings	9,976,145	10,157,569	9,975,323	10,156,799
Other debtors	222,598	191,767	110,541	133,751
Prepayments and accrued income	160,321	109,960	75,327	68,947
Deferred tax asset (see note 10)	78,540	-	78,540	-
	<u>10,564,132</u>	<u>10,482,702</u>	<u>10,265,968</u>	<u>10,367,669</u>

### 9 Creditors : amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	142,876	83,376	63,573	62,537
Amounts owed to group undertakings	-	-	3,146,293	2,534,563
Corporation tax	228,646	185,846	166,855	140,879
Other taxes and social security costs	392,949	370,941	223,740	221,110
Other creditors	117,962	53,026	77,328	15,448
Accruals and deferred income	734,279	759,746	198,518	190,703
	<u>1,616,712</u>	<u>1,452,935</u>	<u>3,876,307</u>	<u>3,165,240</u>

# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 10 Provisions for liabilities

The deferred tax asset (included in debtors, note 8) is made up as follows:

	Group 2013 £		Company 2013 £	
Profit and loss account	(78,540)		(78,540)	
	Group 2013 £	2012 £	Company 2013 £	2012 £
(Decelerated)/accelerated capital allowances	(78,540)	-	(78,540)	-

### 11 Pension and other post-retirement benefit commitments

#### 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 employees of £81,961 (2012: £53,039).

For the group the pension cost charge includes contributions payable by the group to government schemes of £265,247 (2012: £224,552). Contributions totalling £33,807 (2012: £23,114) were payable to the schemes at the year end and are included in creditors.

### 12 Share capital

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1 each	1	1

# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

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**13 Statement of movements on profit and loss account**  
**Group**

	<b>Profit and loss account £</b>
Balance at 1 January 2013	9,814,793
Profit for the year	1,797,019
Foreign currency translation differences	(34,151)
	<hr/>
Balance at 31 December 2013	11,577,661
	<hr/>

**Company**

	<b>Profit and loss account £</b>
Balance at 1 January 2013	7,398,635
Profit for the year	1,413,589
Foreign currency translation differences	(81,860)
	<hr/>
Balance at 31 December 2013	8,730,364
	<hr/>

# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

14 Reconciliation of movements in shareholders' funds	2013	2012
	£	£
<b>Group</b>		
Profit for the financial year	1,797,019	1,539,942
Foreign currency translation differences	(34,151)	(43,386)
	<u>1,762,868</u>	<u>1,496,556</u>
Net addition to shareholders' funds	1,762,868	1,496,556
Opening shareholders' funds	9,814,794	8,318,238
	<u>11,577,662</u>	<u>9,814,794</u>
Closing shareholders' funds		
	<u>11,577,662</u>	<u>9,814,794</u>
	2013	2012
<b>Company</b>	£	£
Profit for the financial year	1,413,589	1,178,262
Foreign currency translation differences	(81,860)	(8,042)
	<u>1,331,729</u>	<u>1,170,220</u>
Net addition to shareholders' funds	1,331,729	1,170,220
Opening shareholders' funds	7,398,636	6,228,416
	<u>8,730,365</u>	<u>7,398,636</u>
Closing shareholders' funds		
	<u>8,730,365</u>	<u>7,398,636</u>

# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 15 Financial commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Within one year	38,180	467,780	54,794	56,662
Between two and five years	-	289,526	27,413	81,965
In over five years	1,028,214	-	-	-
	<u>1,066,394</u>	<u>757,306</u>	<u>82,207</u>	<u>138,627</u>

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Within one year	-	326,151	-	-
In over five years	432,264	-	-	-
	<u>432,264</u>	<u>326,151</u>	<u>-</u>	<u>-</u>

#### 16 Directors' remuneration

	2013	2012
	£	£
Remuneration for qualifying services	<u>180,173</u>	<u>167,330</u>



# AB INITIO SOFTWARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 17 Employees

#### Number of employees

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

	2013 Number	2012 Number
Administration	2	2
Sales/consultants	77	75
	<u>79</u>	<u>77</u>

#### Employment costs

	2013 £	2012 £
Wages and salaries	9,761,815	9,585,271
Social security costs	1,344,765	1,286,311
Other pension costs	81,961	53,039
	<u>11,188,541</u>	<u>10,924,621</u>

### 18 Control

The parent and ultimate parent company is Ab Initio Software LLC (2012: Ab Initio Software LLC), a company registered in the United States of America. The ultimate controlling party is S Handler (2012: S Handler) by virtue of their control of Ab Initio Software LLC.

### 19 Related party relationships and transactions

#### Group

Under FRS8 - 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, Ab Initio Software LLC, of £18,668,160 (2012: £17,631,634). The balance owed by the parent company at the year end was £9,976,145 (2012: £10,156,799). This balance is interest free and has no fixed repayment terms.