

OBJECTIVE CORPORATION UK LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2019

OBJECTIVE CORPORATION UK LIMITED
REGISTERED NUMBER: 03965318

BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	522,303	611,226
		<u>522,303</u>	<u>611,226</u>
Current assets			
Debtors: amounts falling due after more than one year	5	1,537,533	1,591,380
Debtors: amounts falling due within one year	5	804,133	821,377
Cash at bank and in hand	6	2,949,062	1,452,120
		<u>5,290,728</u>	<u>3,864,877</u>
Creditors: amounts falling due within one year	7	(2,095,584)	(1,956,510)
Net current assets		<u>3,195,144</u>	<u>1,908,367</u>
Total assets less current liabilities		<u>3,717,447</u>	<u>2,519,593</u>
Creditors: amounts falling due after more than one year	8	(2,070,716)	(973,270)
Provisions for liabilities			
Deferred tax	9	(35,570)	(24,239)
		<u>(35,570)</u>	<u>(24,239)</u>
Net assets		<u><u>1,611,161</u></u>	<u><u>1,522,084</u></u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account		1,611,159	1,522,082
		<u><u>1,611,161</u></u>	<u><u>1,522,084</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 August 2019.

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NJ Kingsbury

Director

The notes on pages 2 to 9 form part of these financial statements.

OBJECTIVE CORPORATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. General information

Objective Corporation UK Limited is a private limited company limited by shares, incorporated in England and Wales. The registered office and principal place of business of the company is Level 10, Thames Tower, Station Road, Reading, Berkshire RG1 1LX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Objective Corporation Limited as at 30 June 2019 and these financial statements may be obtained from Level 30, 177 Pacific Highway, North Sydney NSW 2060 Australia.

2.3 Turnover

The turnover shown in the profit and loss account represents amounts receivable in respect of the year, exclusive of Value Added Tax.

Product sales

Income from the sale of product or licence fees is recognised at the earliest of when the company has passed control of the relevant product or granted a license for the use of the product to a buyer.

Rendering of services

Income from services is recognised on a time or percentage complete basis for the period during which the relevant services are performed, recognising profit on the same basis.

Upgrade and support program (USP)

Income from USP is recognised over the period during which the relevant USP is provided.

Deferred income

Deferred income relates to the unexpired proportion of invoices raised in relation to the upgrade and support programmes offered to customers. Turnover reflects the period of these programmes that fall within the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	10%	on cost
Computer equipment	-	40%	on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans 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.

OBJECTIVE CORPORATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.9 Creditors

Short term creditors 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.

2.10 Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.15 Long-term contract

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2.16 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Average number of employees	<u>28</u>	<u>30</u>

OBJECTIVE CORPORATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

4. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 July 2018	584,942	167,181	752,123
Additions	18,648	18,465	37,113
Disposals	-	(11,287)	(11,287)
	<hr/>	<hr/>	<hr/>
At 30 June 2019	603,590	174,359	777,949
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 July 2018	23,780	117,117	140,897
Charge for the year	92,474	33,562	126,036
Disposals	-	(11,287)	(11,287)
	<hr/>	<hr/>	<hr/>
At 30 June 2019	116,254	139,392	255,646
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 June 2019	<u>487,336</u>	<u>34,967</u>	<u>522,303</u>
At 30 June 2018	<u>561,162</u>	<u>50,064</u>	<u>611,226</u>

OBJECTIVE CORPORATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

5. Debtors

	2019 £	2018 £
Due after more than one year		
Amounts owed by group undertakings	<u>1,537,533</u>	<u>1,591,380</u>
	2019 £	2018 £
Due within one year		
Trade debtors	607,859	570,794
Other debtors	8,366	50,802
Prepayments and accrued income	187,908	199,781
	<u>804,133</u>	<u>821,377</u>

6. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>2,949,062</u>	<u>1,452,120</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	152,626	169,727
Corporation tax	13,269	-
Other taxation and social security	398,366	343,968
Other creditors	7,249	32,360
Accruals and deferred income	1,524,074	1,410,455
	<u>2,095,584</u>	<u>1,956,510</u>

8. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Amounts owed to group undertakings	1,789,916	875,227
Accruals	280,800	98,043
	<u>2,070,716</u>	<u>973,270</u>

OBJECTIVE CORPORATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Deferred taxation

	2019 £
At beginning of year	(24,239)
Charged to profit or loss	(11,331)
At end of year	(35,570)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(36,707)	(39,480)
Short term timing differences	1,137	1,256
Losses and other deductions	-	13,985
	(35,570)	(24,239)

10. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2 (2018 - 2) Ordinary shares of £1.00 each	2	2

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £85,024 (2018: £61,231). Contributions totalling £11,780 (2018: £11,847) were payable to the fund at the balance sheet date and are included in creditors.

12. Related party transactions

The company has taken exemption under FRS 102 section 1A for disclosing related party transactions with other wholly owned members of the group.

N J Kingsbury received consultancy fees of £12,179 (2018: £10,235) via Kingsbury Ventures Limited, a company in which N J Kingsbury owns 100% of the issued share capital. At the year end £1,212 (2018: £974) was owed to Kingsbury Ventures Limited in respect of the services provided.

OBJECTIVE CORPORATION UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

13. Controlling party

Objective Corporation Limited, a company registered in Australia and listed on the Australian Stock Exchange, is the parent undertaking of both the smallest and the largest group for which consolidated group accounts are prepared. The consolidated financial statements are available from:

Level 30

177 Pacific Highway

North Sydney

NSW 2060

Australia

Objective Corporation Limited is under the ultimate control of Tony Wallis and Gary Fisher, directors of the ultimate parent undertaking and of this company, due to their shareholdings in Objective Corporation Limited held through corporate entities.

14. Auditor's information

The auditor's report on the financial statements for the year ended 30 June 2019 was unqualified.

The audit report was signed on 6 November 2019 by Alexander Peal BSc(Hons) FCA DChA (Senior statutory auditor) on behalf of James Cowper Kreston.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.