

Transitive Corporation Limited

Financial Statements

31 December 2015

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Transitive Corporation Limited

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Transitive Corporation Limited

Company Information

Director	H Nash
Company secretary	A Sullivan
Registered number	04791564
Registered office	PO Box 41 North Harbour Portsmouth Hampshire PO6 3AU

Transitive Corporation Limited

**Director's Report
For the Year Ended 31 December 2015**

The director presents his annual report and the unaudited financial statements for the year ended 31 December 2015.

Principal activity

The company is dormant and has not traded during the year.

The company transitioned from previously extant UK accounting standards to financial reporting standard 102, 'The Financial Reporting Standard in the United Kingdom and Republic of Ireland', ("FRS 102") as at 1st January 2013. This has not resulted in a material impact on the company's reported financial position and performance. Further information is provided in note 10.

Director

The director who served during the year and up to the date of signing the financial statements was:

H Nash

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the director has the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The company has granted this indemnity in favour of the director of the company as is permitted by Section 232-235 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. International Business Machines Corporation has purchased Directors' and Officers' liability insurance cover for directors against liabilities arising in relation to the company, as permitted by the Companies Act 2006. This insurance does not cover criminal activity.

Post balance sheet events

There have been no significant events affecting the company since the year end.

This report was approved and signed by:

.....
H Nash
Director

Date:

14/9/16

Transitive Corporation Limited
Registered number:04791564

Statement of Financial Position
As at 31 December 2015

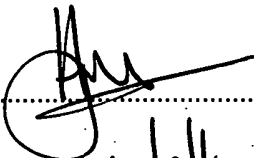
	Note	2015 \$	2014 \$
Fixed assets			
Investments	3	12,005,560	12,005,560
Current assets			
Debtors: amounts falling due within one year	4	18,853,070	18,853,070
Net assets		<u>30,858,630</u>	<u>30,858,630</u>
Capital and reserves			
Called up share capital	7	9,275	9,275
Share premium account	6	26,479,666	26,479,666
Merger reserve	6	10,799,087	10,799,087
Other reserves	6	147,098	147,098
Profit and loss account	6	(6,576,496)	(6,576,496)
		<u>30,858,630</u>	<u>30,858,630</u>

For the year ended 31 December 2015 the company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year, in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved and signed by:


.....
H Nash
Director
Date: 14/9/16

The notes on pages 4 to 7 form part of these financial statements.

Transitive Corporation Limited

Notes to the Financial Statements For the Year Ended 31 December 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

Transitive Corporation Limited (the 'company') is a limited and is incorporated and domiciled in Great Britain and registered in England & Wales under the Companies Act 2006. The address of its registered office is shown on page 1 of these financial statements.

These financial statements have been prepared under the historical cost convention as disclosed in the accounting policies below. The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 10.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been applied consistently to all years presented, unless otherwise stated.

1.2 Dormant status

The company was dormant (with the meaning of section 480 of the Companies Act 2006) throughout the year ended 31 December 2015. The company has not traded during the year or during the preceding financial year and has received no income and incurred no expenditure and therefore made neither a profit nor loss.

1.3 Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities, including related party receivables and payables.

Financial assets

Basic financial assets are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period, they are assessed for objective measurement of impairment and any impairment loss is recognised in profit or loss.

Amounts owed by group undertakings

Amounts owed by group undertakings with no stated interest rate and receivable within one year are recorded at transaction price. At the end of each reporting period, they are assessed for objective measurement of impairment and any impairment loss is recognised in profit or loss.

Transitive Corporation Limited
Notes to the Financial Statements
For the Year Ended 31 December 2015

2. Employees

The company has no employees other than the director, who did not receive any remuneration.

3. Fixed asset investments

	Investments in subsidiary companies \$
Cost or valuation	
At 1 January 2015	12,005,560
At 31 December 2015	<u>12,005,560</u>
Net book value	
At 31 December 2015	<u>12,005,560</u>
At 31 December 2014	<u>12,005,560</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Transitive Limited	United Kingdom	Ordinary	100 %	Dormant

Transitive Limited is a dormant company and is registered in England and Wales.

4. Debtors

	2015 \$	2014 \$
Amounts owed by group undertakings	<u>18,853,070</u>	<u>18,853,070</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Transitive Corporation Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

5. Financial instruments

	2015 \$	2014 \$
Financial assets		
Financial assets that are debt instruments measured at amortised cost	18,853,070	18,853,070
	<u>18,853,070</u>	<u>18,853,070</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings.

6. Reserves

Share premium

This represents premiums received on issue of share capital.

Merger reserve

The merger reserve arose on 25 June 2003, when the company acquired the issued share capital of Transitive Limited for shares. This was accounted for in accordance with the principles of merger accounting.

Other reserves

This represents the foreign exchange gains and losses prior to 1 January 2003, when the company's functional currency was changed from British Pounds Sterling to US Dollars.

Profit & loss account

The profit and loss account represents accumulated comprehensive income for the year and prior periods. uu

7. Share capital

	2015 \$	2014 \$
Allotted, called up and fully paid		
13,820,000 Ordinary shares of £0.0001 each	2,027	2,027
12,500,000 'A' Ordinary shares of £0.0001 each	1,812	1,812
15,013,482 'B' Ordinary shares of £0.0001 each	2,369	2,369
11,148,051 'C' Ordinary shares of £0.0001 each	2,010	2,010
5,395,288 'D' Ordinary shares of £0.0001 each	1,057	1,057
	<u>9,275</u>	<u>9,275</u>

Transitive Corporation Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2015**

8. Related party transactions

The company is exempt from disclosing related party transactions with companies that are wholly owned within the group. There are no transactions to disclose with related parties which are not wholly owned within the same group.

9. Controlling party

The company's immediate parent undertaking is IBM United Kingdom Limited, incorporated in England and Wales.

IBM International Group B.V., registered in the Netherlands is the parent undertakings of the smallest group to consolidate these financial statements. Copies of these Consolidated financial statements are may be obtained in from IBM International Group B.V., Johan Huizingalaan 765, 1066 VH Amsterdam, Netherlands.

The company's ultimate parent undertaking and controlling party is International Business Machines Corporation which is incorporated in the United States of America and is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of accounts of this undertaking may be obtained from IBM Corporate Headquarters, New Orchard Road, Armonk, New York 10505, USA.

10. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.