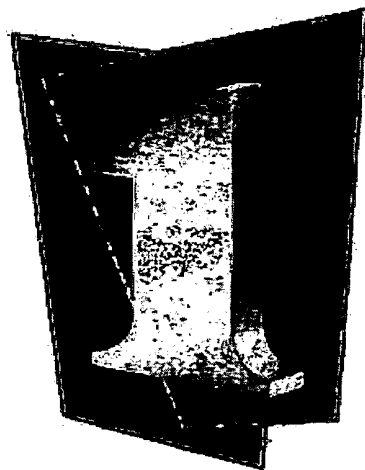


TECHNOLOGY ONE UK LIMITED



technologyone
business software solutions

REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 2015

COMPANY NUMBER 05234413

TUESDAY



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TECHNOLOGY ONE UK LIMITED – COMPANY NUMBER 05234413
FINANCIAL REPORT AS AT 30 SEPTEMBER 2015

TECHNOLOGY ONE UK LIMITED

30 SEPTEMBER 2015

Directors

Mr Edward Chung
Mr Gareth Pye

Registered Office

Fourth Floor
Abbots House
Abbey Street
Reading
Berkshire
RG1 3BD

Auditors

Ernst & Young LLP
Barony House
Stoneyfield Business Park
Stoneyfield
Inverness
IV2 7PA

Bankers

HSBC
Thames Valley Corporate Banking Centre
Apex Plaza
Reading
RG1 1AX

Solicitors

Boyes Turner
Fourth Floor
Abbots House
Abbey Street
Reading
Berkshire
RG1 3BD

Office

Technology One UK Limited
Queen Anne House
25 – 27 Broadway
Maidenhead
Berkshire
SL6 1LY

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DIRECTORS' REPORT

The Board of Directors of Technology One UK Limited has pleasure in submitting its report and financial statements in respect of the twelve month period ended 30 September 2015.

Results and dividends

The profit before tax for the period amounted to £40,112. (2014 £4,882). The directors do not recommend the payment of any dividends.

Principal activities

The principal activity of Technology One UK Limited is the marketing, sales, implementation and support of fully integrated enterprise business software solutions.

Directors

The directors who served the company during the year were Mr Adrian Di Marco (resigned 5 April 2015), Mr Gareth Pye (appointed 6 April 2015) and Mr Edward Chung.

The directors who were members of the board at the time of approving the director's report are listed above. The directors confirm that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

The directors have taken advantage of the small companies exemption provided by Section 414B of the Companies Act 2006 not to provide a Strategic Report.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The signed financial statements were approved by the Board of Directors' on 18 May 2016 and were signed on its behalf by:

Signed by _____



Gareth Pye
Director
18 May 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECHNOLOGY ONE UK LIMITED

We have audited the financial statements of Technology One UK Ltd for the year ended 30 September 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently, materially incorrect based on or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Ernst & Young

Eunice McAdam (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Inverness

Date

18 May 2016

PROFIT AND LOSS ACCOUNT

	Note	2015 £'000	2014 £'000
Turnover: Continuing Operations	2	2,282	1,389
Other Revenue	2	654	779
Total operating revenue		2,936	2,168
Sales and marketing expense		314	190
Occupancy expense		47	47
Administration expense		1,950	1,568
Other expense		585	358
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE	3	40	5
Income tax expense attributable to ordinary activities	5	10	(4)
NET PROFIT		30	9

The accompanying notes form an integral part of this Profit and Loss account.

BALANCE SHEET

	Note	2015 £'000	2014 £'000
FIXED ASSETS			
Tangible Fixed Assets	6	44	38
CURRENT ASSETS			
Receivables and Other assets	7	1,257	343
Cash assets		297	313
		1,554	656
CREDITORS			
Amounts falling due within one year	8	624	355
NET CURRENT ASSETS		930	301
TOTAL ASSETS LESS CURRENT LIABILITIES		974	339
CREDITORS			
Amounts falling due after more than one year	9	696	91
NET ASSETS		278	248
CAPITAL AND RESERVES			
Called-up share capital	10	-	-
Profit and loss account	11	278	248
EQUITY SHAREHOLDERS FUNDS		278	248

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accompanying notes form an integral part of this Balance Sheet.


Gareth Pye

Director

18 May 2016

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Basis of Preparation

The financial statements were authorised for issue in accordance with a resolution of the Directors' on 18 May 2016.

The financial statements are presented in GBP, and all values are rounded to the nearest thousand except where otherwise stated. The financial statements are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The directors have prepared the financial statements on the going concern basis. At 30 September 2015, the company had net assets of £277,904 (2014 Net Assets of £247,819). However, the ultimate parent company has issued a letter of support to the company stating that it will continue to provide funding, as necessary, in order for the company to meet all of its operational and capital requirements as they fall due. The directors therefore consider that the going concern basis of accounting remains appropriate. Refer to Note 12.

Cash Flow Statement

The directors have taken advantage of the exemption allowed under Financial Reporting Standard No. 1 (Revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent undertaking publishes consolidated financial statements.

Revenue Recognition

Software Licence Fee Revenue

Revenue from licence fees due to software sales is recognised on the transferring of significant risks and rewards of ownership of the licensed software under an agreement between the company and the customer.

Implementation and Consulting Services Revenue for Licensed Software

Revenue from implementation and consulting services attributable to licensed software is recognised in proportion to the stage of completion.

Post Sales Customer Support Revenue for Licensed Software

Post sales customer support (PSCS) revenue for licensed software comprises fees for ongoing upgrades, minor software revisions and helpline support. PSCS revenue is allocated between annual fees for helpline support, fees for rights of access to ongoing upgrades and minor software patches. At each reporting date the unearned portion of help line support fees is assessed and deferred to be recognised over the period of service. Fees for rights of access to ongoing upgrades and minor software revisions are recognised at the commencement of the period to which they relate on the basis that the company has no ongoing obligations or required expenditure related to this revenue.

Project Services Revenue

Revenue from project services agreements is recognised in proportion to their stage of completion, typically in accordance with the achievement of contract milestones and/or hours expended.

Cloud Services

Revenue from cloud services is recognised as the services are performed.

Notes to the financial statements at 30 September 2015

1. Accounting Policies - Continued

Unearned Services Revenue

Amounts received from customers in advance of provision of services are accounted for as a liability called Unearned Revenue.

Earned and Unbilled Revenue

Amounts recorded as Earned and Unbilled Revenue represent revenues recorded on Software Licence fees and PSCS fees not yet invoiced to customers. These amounts have met the revenue recognition criteria of the company, but have not reached the payment milestones contracted with customers.

SaaS Revenue

Software as a Service (SaaS) revenue is separable into each of its components of software licence fees, post sales customer support and cloud services. At each reporting date, the unearned portion is assessed and deferred to be recognised over the period of service.

Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful economic lives of the assets as follows:

	Life	Method
Office furniture and equipment	3-11 years	Straight line

Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. The provision for doubtful debts is measured as the difference between the carrying amount of trade debtors and the estimated future cash flows expected to be received from the relevant debtors.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leased Assets

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Notes to the financial statements at 30 September 2015

1. Accounting Policies - Continued

Operating

Operating leases under which the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are included in the determination of the operating profit in equal instalments over the lease term.

Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax (VAT), except where the amount of VAT incurred is not recoverable from the applicable taxing authority. In these circumstances, the VAT is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxing authority is included as a current asset or liability in the balance sheet.

Foreign currency

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 average rate for the month in which the transaction occurs. Exchange gains and losses are recognised in the profit and loss account.

2. Total Operating Revenue

Sales revenue, which is stated net of value added tax, is attributable to one continuing activity, the sale of, and provision of support for, software.

	2015 £'000	2014 £'000
Provision of services – United Kingdom	2,282	1,389
Marketing support fees from Technology One Limited (Australia)	654	779
Total revenues	2,936	2,168

Notes to the financial statements at 30 September 2015

3. Profit from continuing activities before taxation

This is stated after charging:

	2015	2014
	£'000	£'000
Auditors' remuneration – audit services	8	8
Depreciation of owned fixed assets	29	35
Building operating lease rentals (refer note 13)	32	29

4. Director's Remuneration

The directors of the company are also directors of the parent company and fellow subsidiaries. The directors received total remuneration for the year of £617,980 (2014: £1,026,152), all of which was paid by the parent company. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the parent company and fellow subsidiary companies.

The directors of the company, as employees of the Technology One Limited group are subject to the following option arrangements provided by Technology One Limited.

The group provides benefits to certain employees in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares. The cost of share based payment transactions with employees are measured by reference to fair value of the equity instruments at the date at which they are granted.

The cost of share-based payments is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period). No expense is recognised for awards that do not ultimately vest.

In accordance with the Financial Reporting Standard for Smaller Entities, the cost of these share-based payments is not recognised in this entity.

Notes to the financial statements at 30 September 2015

5. Tax

	2015 £'000	2014 £'000
a) <i>Tax on profit on ordinary activities:</i>	10	(4)

The tax charge is made up as follows:

	2015 £'000	2014 £'000
<i>Current tax:</i>		
UK corporation tax – Current year	(19)	16
UK corporation tax – Prior year	(2)	(12)
Total current tax (note 5(b))	(21)	4
<i>Deferred tax:</i>		
Amount (credited)/charged in the year	31	(8)
Tax on profit on ordinary activities	10	(4)

b) Factors affecting current tax charge:

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of small corporation tax in the UK of 20% for Year Ending 30 September 2015 (2014: 20%). The differences are reconciled below:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	40	5
Profit on ordinary activities multiplied by standard rate of small corporation tax in UK of 20% (2014: 20%)	8	1
Exchange rate differences	4	5
Other timing differences	-	4
Depreciation in excess of capital allowance	-	6
Prior year under provision	(2)	(12)
Total current tax (note 5(a))	10	4

Notes to the financial statements at 30 September 2015

5. Tax (Continued)

c) Deferred tax

The deferred tax included in the balance sheet is as follows:

	2015 £'000	2014 £'000
Included in debtors (note 7)	31	19
Included in creditors (note 8)	(50)	(2)
	(19)	17
Accelerated capital allowances	2	(2)
Other timing differences	(21)	19
	(19)	17

6. Tangible Fixed Assets

	2015 £'000	2014 £'000
	Office Furniture and Equipment	Office Furniture and Equipment
Cost:		
Opening Balance	204	194
Additions	7	12
Disposals	(15)	(2)
Closing Balance	196	204
Depreciation:		
Opening Balance	166	133
Provided during the year	29	35
Disposals	(43)	(2)
Closing Balance	152	166
Net book value at 30 September 2015	44	38

7. Receivables and other assets

	2015 £'000	2014 £'000
Trade Debtors	1,224	318
Deferred tax asset	31	19
Other Sundry Debtors including VAT refunds	2	6
	1,257	343

TECHNOLOGY ONE UK LIMITED – COMPANY NUMBER 05234413
FINANCIAL REPORT AS AT 30 SEPTEMBER 2015

Notes to the financial statements at 30 September 2015

8. Creditors: amounts falling due within one year

	2015	2014
	£'000	£'000
Trade Creditors	137	92
Other Creditors – Employee bonus	106	109
Other Creditors	149	75
Deferred tax	50	2
Other taxes and social security costs	132	50
Sundry Provisions	50	27
	624	355

9. Creditors: amounts falling due in excess of one year

	2015	2014
	£'000	£'000
Amounts due to related parties	696	91
	696	91

Amounts due to Technology One Limited (Australia) do not bear interest and are repayable on demand. The company has classified these amounts as non-current as they are not expected to be repaid prior to 30 September 2015 and the company have received notification from Technology One Limited (Australia) that they will not call these loans in this period.

10. Share capital

	2015	2014
	£	£
Authorised, allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

Notes to the financial statements at 30 September 2015

11. Reconciliation of movement in shareholders' funds

	2015 £'000	2014 £'000
Opening shareholders' funds	248	239
Profit for the period	30	9
Closing shareholders' funds	278	248

12. Support of Controlling Entity

The operations of Technology One UK Limited rely on the continued product and financial support of Technology One Limited (Australia), the parent entity of Technology One UK Limited. The directors of Technology One Limited (Australia) have resolved to provide financial and product support as well as not call inter-company loans for a period of 12 months from the date of completion of these financial statements should this cause Technology One UK Limited not to be able to continue as a going concern and meet its debts as and when they fall due.

13. Commitments

Operating leases are entered into as a means of acquiring access to office property. Rental payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined. No renewal or purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

	2015 £'000	2014 £'000
Annual commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	7	43
Later than one year but not later than five years	0	7
	7	50

14. Related Parties

The company is a wholly owned subsidiary of Technology One Limited (Australia), the consolidated financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in the Financial Reporting Standard for Smaller Entities (FRSSE) from disclosing transactions with members or investees of the group.

No transactions with related parties were undertaken such as are required to be disclosed under the FRSSE.

TECHNOLOGY ONE UK LIMITED – COMPANY NUMBER 05234413
FINANCIAL REPORT AS AT 30 SEPTEMBER 2015

Notes to the financial statements at 30 September 2015

15. Ultimate Parent Undertaking

The ultimate parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member is Technology One Limited (Australia), a company registered in Australia, which owns 100% of the issued share capital. Copies of these group accounts are available from www.TechnologyOneCorp.com.