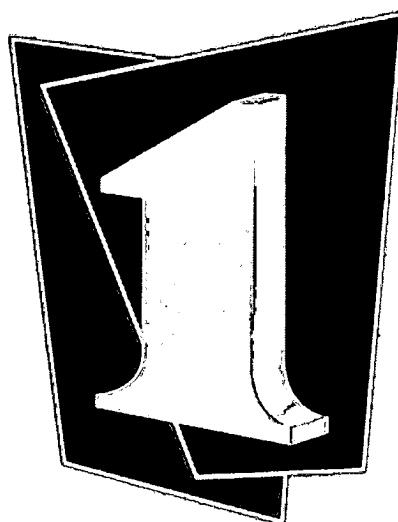


# TECHNOLOGY ONE UK LIMITED



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# technologyone

business software solutions

## REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 2016

COMPANY NUMBER 05234413

## **TECHNOLOGY ONE UK LIMITED**

### **30 SEPTEMBER 2016**

#### **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 2016.

### Results and dividends

The profit before tax for the period amounted to £154,122 (2015 £40,112). 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 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 23 June 2017 and were signed on its behalf by:

Signed by



Gareth Pye  
Director

23 June 2017

## **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 2016 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 January 2015) (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 2016 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 LLP*

*Signature*

*Eunice McAdam (Senior statutory auditor)*

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

*Inverness*

*Date*

*27* June 2017

## PROFIT AND LOSS ACCOUNT

	Note	2016 £'000	2015 £'000
Turnover: Continuing Operations	2	3,789	2,282
Other Revenue	2	423	654
<b>Total operating revenue</b>		<b>4,212</b>	<b>2,936</b>
Sales and marketing expense		537	314
Occupancy expense		54	47
Administration expense		2,853	1,950
Other expense		614	585
<b>PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE</b>	3	<b>154</b>	<b>40</b>
Income tax expense attributable to ordinary activities	5	58	10
<b>NET PROFIT</b>		<b>96</b>	<b>30</b>

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




## BALANCE SHEET

	Note	2016 £'000	2015 £'000
<b>FIXED ASSETS</b>			
Tangible Fixed Assets	6	65	44
<b>CURRENT ASSETS</b>			
Receivables and Other assets	7	3,033	1,257
Cash assets		311	297
		3,344	1,554
<b>CREDITORS</b>			
Amounts falling due within one year	8	1,449	624
<b>NET CURRENT ASSETS</b>		1,895	930
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,960	974
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	1,586	696
<b>NET ASSETS</b>		374	278
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	10	-	-
Profit and loss account	11	374	278
<b>EQUITY SHAREHOLDERS FUNDS</b>		374	278

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 January 2015).

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

  
Gareth Pye

Director

23 June 2017

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting Policies

#### **Basis of Preparation**

The financial statements were authorized for issue in accordance with a resolution of the Directors' on 23 June 2017.

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 January 2015).

The directors have prepared the financial statements on the going concern basis. At 30 September 2016, the company had net assets of £374,000 (2015 Net Assets of £277,904). 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 the FRSSE (effective January 2015) 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.

## Notes to the financial statements at 30 September 2016

### 1. Accounting Policies - Continued

#### Revenue Recognition - continued

##### *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.

##### *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.

## **Notes to the financial statements at 30 September 2016**

### **1. Accounting Policies - Continued**

#### **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.

##### *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.

## Notes to the financial statements at 30 September 2016

### 1. Accounting Policies - Continued

#### 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.

	2016 £'000	2015 £'000
Provision of services – United Kingdom	3,789	2,282
Marketing support fees from Technology One Limited (Australia)	423	654
Total revenues	4,212	2,936

### 3. Profit from continuing activities before taxation

This is stated after charging:

	2016 £'000	2015 £'000
Auditors' remuneration – audit services	8	8
Depreciation of owned fixed assets	25	29
Building operating lease rentals (refer note 13)	37	32

## **Notes to the financial statements at 30 September 2016**

### **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 £742,302 (2015: £617,980), 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 2016**

**5. Tax**

	2016 £'000	2015 £'000
<i>a) Tax on profit on ordinary activities:</i>	58	10

The tax charge is made up as follows:

	2016 £'000	2015 £'000
<i>Current tax:</i>		
UK corporation tax – Current year	27	(19)
UK corporation tax – Prior year	31	(2)
Total current tax	58	(21)
<i>Deferred tax:</i>		
Amount (credited)/charged in the year	-	31
Tax on profit on ordinary activities (note 5(b))	58	10

*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 2016 (2015: 20%). The differences are reconciled below:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	154	40
Profit on ordinary activities multiplied by standard rate of small corporation tax in UK of 20% (2015: 20%)	31	8
Exchange rate differences	(4)	4
Prior year under provision	31	(2)
Total current tax (note 5(a))	58	21

**Notes to the financial statements at 30 September 2016**

**5. Tax - Continued**

*c) Deferred tax*

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

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Included in debtors (note 7)	30	31
Included in creditors (note 8)	(49)	(50)
	<u>(19)</u>	<u>(19)</u>
Accelerated capital allowances	2	2
Other timing differences	(21)	(21)
	<u>(19)</u>	<u>(19)</u>

**6. Tangible Fixed Assets**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
	Office	Office
	Furniture	Furniture
	and	and
	Equipment	Equipment
<b>Cost:</b>		
Opening Balance	196	204
Additions	46	7
Disposals	-	(15)
Closing Balance	<u>242</u>	<u>196</u>
<b>Depreciation:</b>		
Opening Balance	152	166
Provided during the year	25	29
Disposals	-	(43)
Closing Balance	<u>177</u>	<u>152</u>
Net book value	<u>65</u>	<u>44</u>



**Notes to the financial statements at 30 September 2016**

**7. Receivables and other assets**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Trade Receivables	2,958	1,224
Deferred tax asset	30	31
Other Sundry Debtors including VAT refunds	45	2
	<b>3,033</b>	<b>1,257</b>

Included in trade receivables is £503,165 (2015: Nil) falling due after more than one year.

**Notes to the financial statements at 30 September 2016**

**8. Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Trade Creditors	209	137
Other Creditors – Employee bonus	152	106
Other Creditors and deferred income	535	149
Corporation tax	27	-
Deferred tax	49	50
Other taxes and social security costs	335	132
Sundry Provisions	142	50
	<b>1,449</b>	<b>624</b>

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

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due to related parties	1,586	696
	<b>1,586</b>	<b>696</b>

Amounts due to Technology One Limited (Australia) do not bear interest. The company has classified these amounts as non-current as they are not expected to be repaid prior to 30 September 2017 and the company have received notification from Technology One Limited (Australia) that they will not call these loans in this period.

## 10. Share capital

	2016 £	2015 £
<b>Authorised, allotted, called up and fully paid</b>		
2 ordinary shares of £1 each	2	2

Notes to the financial statements at 30 September 2016

## 11. Reconciliation of movement in shareholders' funds

	2016 £'000	2015 £'000
Opening shareholders' funds	278	248
Profit for the period	96	30
Closing shareholders' funds	374	278

## 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.

	2016 £'000	2015 £'000
Annual commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	46	7
Later than one year but not later than five years	-	-
	46	7

#### **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.

#### **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](http://www.TechnologyOneCorp.com).