

Registered number: 06295394

HALCYON SOFTWARE LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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HALCYON SOFTWARE LIMITED

COMPANY INFORMATION

Directors	C D Heim D R Mayleben
Company secretary	W Fredenburg
Registered number	06295394
Registered office	Office 2, Building 2 Sentinel House Harvest Crescent Ancells Business Park Fleet Hampshire GU51 2UZ

HALCYON SOFTWARE LIMITED

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HALCYON SOFTWARE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

Principal activity

The Company's principal activity during the year continued to be that of computer software research development, sales and support.

Results and dividends

The loss for the year, after taxation, amounted to £48,868 (2016 - loss £419,113).

The directors have not recommended a dividend for the period ended 31 December 2017 (2016: £Nil)

Directors

The directors who served during the year were:

C D Heim
D R Mayleben

Post balance sheet events

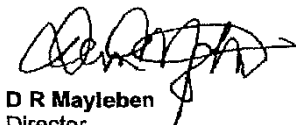
There have been no significant events affecting the company since the year end.

Small companies note

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

The company is entitled to exemption from audit under section 479A of the Companies Act 2006 and the members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

This report was approved by the board and signed on its behalf.



D R Mayleben

Director

Date: 27-Sep-2018



Report to the directors on the preparation of the unaudited statutory financial statements of Halcyon Software Limited for the year ended 31 December 2017

We have compiled the accompanying financial statements of Halcyon Software Limited based on the information you have provided. These financial statements comprise the statement of financial position of Halcyon Software Limited as at 31 December 2017, the statement of income and retained earnings for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of Halcyon Software Limited, as a body, in accordance with the terms of our engagement letter dated 28 September 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Halcyon Software Limited and state those matters that we have agreed to state to the Board of Directors of Halcyon Software Limited, as a body, in this report in accordance with our engagement letter dated 28 September 2017. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Halcyon Software Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
Oxford

Date: 27/9/2018

HALCYON SOFTWARE LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover		79,278	2,275,808
Cost of sales		(71,350)	(2,718,817)
Gross profit/(loss)		7,928	(443,009)
Administrative expenses		(74,015)	(15,769)
Operating loss		(66,087)	(458,778)
Interest receivable and similar income		-	1
Loss before tax		(66,087)	(458,777)
Tax on loss		17,219	39,664
Loss after tax		(48,868)	(419,113)
Retained earnings at the beginning of the year		740,548	1,159,661
Loss for the year		(48,868)	(419,113)
Retained earnings at the end of the year		691,680	740,548
The notes on pages 5 to 10 form part of these financial statements.			

HALCYON SOFTWARE LIMITED
REGISTERED NUMBER:06295394

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	4	7,638,436	5,387,490
		<u>7,638,436</u>	<u>5,387,490</u>
Creditors: amounts falling due within one year	5	(6,946,746)	(4,646,932)
Net current assets		<u>691,690</u>	<u>740,558</u>
Total assets less current liabilities		<u>691,690</u>	<u>740,558</u>
Net assets		<u><u>691,690</u></u>	<u><u>740,558</u></u>
Capital and reserves			
Called up share capital	7	10	10
Profit and loss account	8	691,680	740,548
		<u>691,690</u>	<u>740,558</u>


The directors consider that the company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



D R Mayleben

Director

Date: 27-Sep-2018

The notes on pages 5 to 10 form part of these financial statements.

HALCYON SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Halcyon Software Limited is a private company limited by shares and registered in England and Wales, with registered number 06295394. Its registered head office is located at Office 2, Building 2 Sentinel House, Harvest Crescent, Ancells Business Park, Fleet, Hampshire, GU51 2UZ.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Help/Systems International Group Limited as at 31 December 2017 and these financial statements may be obtained from Companies House.

2.3 Going concern

The directors, having taken into account the net current assets of the company and the business activities and the markets in which the company operates, are of the view that sufficient funds are available for the company to be able to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of signing these financial statements. Therefore the financial statements continue to be prepared on the going concern basis.

HALCYON SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.4 Revenue

The company enters into arrangements with customers that may include a combination of software licenses, maintenance and support and training services. For such arrangements the company recognises revenue using a residual value method. Under a residual value method the fair value of the undelivered element is deferred, and the remaining portion of the arrangement fee is allocated to the delivered elements and is recognised as revenue.

For arrangements where the company does not have sufficient evidence of the fair value of undelivered maintenance and support and training, and for the arrangements provided access to a finite set of software products from the company's suite of products over a specified arrangement term, the entire arrangement fee is recognised rateably over the arrangement term.

The fair value of maintenance and support services is determined by reference to the price the company's customers are required to pay for services when sold separately (e.g. the maintenance and support service fees paid by the company's customers upon renewal).

The fair value of training services is established based upon separate pricing for the services. Services revenue consists of revenue from software support and maintenance, which is deferred and recognised rateably over the support period, and revenue from training, which is recognised as the services are provided to customers.

2.5 Debtors

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

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference

HALCYON SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.7 Financial instruments (continued)

between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

2.8 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.

2.9 Foreign currency translation

The company's functional and presentational currency is GBP

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within administrative expenses. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within administrative expenses.

2.10 Pensions

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 payments 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 Statement of financial position. The assets are held separately from the Company in independently administered funds.

HALCYON SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.11 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.12 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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 reporting date in the countries where the company operates and generates income.

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 Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2016: 5).

4. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	7,621,217	5,387,490
Other debtors	17,219	-
	<u>7,638,436</u>	<u>5,387,490</u>

HALCYON SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	6,940,123	4,561,030
Corporation tax	1,074	1,074
Accruals and deferred income	5,549	84,828
	<u>6,946,746</u>	<u>4,646,932</u>

6. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	7,638,436	5,387,490
	<u>7,638,436</u>	<u>5,387,490</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(6,945,672)	(4,645,858)
	<u>(6,945,672)</u>	<u>(4,645,858)</u>

Financial assets measured at amortised cost comprise trade and other debtors and amounts owed by group undertakings.

Financial Liabilities measured at amortised cost comprise trade and other creditors, accruals and deferred income and amounts owed to group undertakings.

7. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
10 Ordinary shares of £1 each	<u>10</u>	<u>10</u>

HALCYON SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

8. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

9. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	26,500	26,500
Later than 1 year and not later than 5 years	66,250	92,750
	<u>92,750</u>	<u>119,250</u>

10. Controlling party

The immediate parent company is Halcyon Software Holdings Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Help/Systems Holdings, Inc., a company incorporated in the United States of America.

Help/Systems International Group Limited, a company incorporated in England and Wales, is the smallest and largest group for which consolidated accounts including Halcyon Software Limited are prepared and are publicly available from Companies House in England and Wales.

At the end of the period the ultimate controlling party was considered to be a group of investor funds led by H.I.G. Capital LLC, a company incorporated in North America.

As of 29 March 2018, Help/Systems International Group Limited was acquired and is now owned by a group of investors led by HGGC, a company incorporated in the United States of America.