

# Nlyte Software Americas Limited

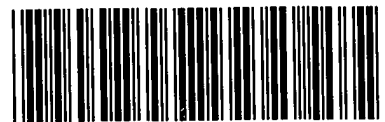
Report and Financial Statements

Period Ended

31 December 2014

Company Number 07470046

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# **Nlyte Software Americas Limited**

**Report and financial statements  
for the period ended 31 December 2014**

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### **Director**

D Sabella

### **Secretary and registered office**

O J Nisbett, Riverside House, 26 Osiers Road, London, SW18 1NH

### **Company number**

07470046

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# Nlyte Software Americas Limited

## Strategic report for the period ended 31 December 2014

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The directors present their strategic report together with the audited financial statements for the period ended 31 December 2014.

### **Business review**

#### ***Business review and principal activities***

Nlyte Software Americas Limited ("the Company") is engaged in the business of developing, selling and implementing "best-of-breed" datacentre infrastructure management ("DCIM") software and the provision of ancillary professional services.

The DCIM market continues to grow and evolve and it is believed that DCIM software will become a standard management tool for mid-to-large sized datacentres in the coming years.

The Company is a DCIM pioneer that has been in business for five years and currently has over 40 employees.

The results for the company show a pre-tax loss of \$3.8m (30 June 2013 - \$2.8m) for the period and sales of \$15.7m (30 June 2013 - \$7.2m).

The Company has no debt.

#### ***Research and development***

The Company continues to invest in the development of its software product 'nlyte'. The directors regard the investment in research and development as an integral part of its future success to ensure that the Company is offering its current and future customers software that will meet their needs and utilises cutting edge technology.

#### ***Future Outlook***

The Company achieved an increase of 27% in calendar year on year sales. The Company achieved a 39% increase in the number of new customers in the same period.

The directors remain confident that they are taking steps to increase the level of performance of the Company in the future.

#### ***Principal risks and uncertainties***

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are set out below.

Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Company.

#### ***Competition***

The market in which the Company operates has a number of competitors within it. The Company monitors these competitors and the functionality that they offer to the market on an on-going basis. The directors consider that independence of the Company is a particular advantage to its customers.

#### ***Credit Risk***

The Company can at times have substantial debts owing to it due to the sale of its software and ancillary services. The directors consider the risk from its customers in defaulting on payment is minimal due to the 'blue-chip' nature of its customers. The collection of debts is monitored closely by the Board.

# Nlyte Software Americas Limited

## Strategic report for the period ended 31 December 2014

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### Liquidity

The Company prepares annually twelve month forward looking cash projections which are monitored on a monthly basis. The directors are satisfied sufficient liquid resources are available to meet liabilities as they fall due.

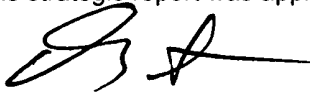
### Key Performance Indicators

The directors consider that calendar year on year increases in turnover and customer numbers are its key performance indicators. These results were once again achieved in a difficult trading environment.

|                  | 12 months<br>ended<br>31 December<br>2014 | 12 months<br>ended<br>31 December<br>2013 | YOY Increase |
|------------------|---|---|--------------|
| Turnover         | 11,211,963                                | 8,465,599                                 | 32%          |
| Customer numbers | 68  | 49  | 39%          |

### Approval

This strategic report was approved on behalf of the Board on



D Sabella

**Director**

Date 23 June 2015

# **Nlyte Software Americas Limited**

## **Report of the director for the period ended 31 December 2014**

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The director presents his report together with the audited financial statements for the period ended 31 December 2014.

### **Results and dividends**

The profit and loss account is set out on page 7 and shows the loss for the period.

The directors do not recommend the payment of a dividend (2013 - \$Nil).

### **Director**

The director of the company during the period was:

D Sabella

### **Director's liabilities**

The company has arranged third party indemnity for its director against liabilities, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provisions remains in force as at the date of approving the Director's Report.

### **Director's responsibilities**

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial period. Under that law the director has 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 director must not approve the financial statements unless he is 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 these financial statements, the director is required to:

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

The director is responsible for keeping adequate 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 enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

# Nlyte Software Americas Limited

Report of the director  
for the period ended 31 December 2014 (*continued*)

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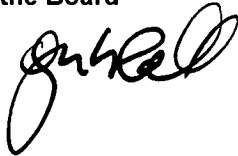
## Auditors

The current director has taken all the steps that he ought to have taken to make himself aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

## By order of the Board

O J Nisbett



Secretary

Date 23 June 2015

# **Nlyte Software Americas Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF NLYTE SOFTWARE AMERICAS LIMITED**

We have audited the financial statements of Nlyte Software Americas Limited for the period ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 director and auditors**

As explained more fully in the statement of director's responsibilities, the director is 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 31 December 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

# Nlyte Software Americas Limited

## Independent auditor's report (*continued*)

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### 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.

*BDO LLP*

*Julian Frost (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom*

Date *23 June 2015*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Nlyte Software Americas Limited

## Profit and loss account for the period ended 31 December 2014

|  | Note | 18 months<br>ended<br>31 December<br>2014<br>US\$ | Year ended<br>30 June<br>2013<br>US\$ |
|--|------|---|---------------------------------------|
| <b>Turnover</b>                                    | 2    | 15,712,769  | 7,201,192                             |
| Cost of sales                                      |      | (6,130,753)                                       | (2,526,741)                           |
| <b>Gross profit</b>                                |      | <b>9,582,016</b>                                  | <b>4,674,451</b>                      |
| Share based payments                               |      | (154,057)   | (94,050)                              |
| Other administrative expenses                      |      | (13,136,290)                                      | (7,338,385)                           |
| <i>Total administrative expenses</i>               |      | <i>(13,290,347)</i>                               | <i>(7,432,435)</i>                    |
| <b>Operating loss</b>                              |      | <b>(3,708,331)</b>                                | <b>(2,757,984)</b>                    |
| Interest receivable and similar income             |      | -   | 191                                   |
| Interest payable and similar charges               | 3    | (99,808)  | (49,056)                              |
| <b>Loss on ordinary activities before taxation</b> | 5    | <b>(3,808,139)</b>                                | <b>(2,806,849)</b>                    |
| Taxation on loss on ordinary activities            | 7    | (18,956)  | (9,607)                               |
| <b>Loss on ordinary activities after taxation</b>  | 13   | <b>(3,827,095)</b>                                | <b>(2,816,456)</b>                    |

All amounts relate to continuing activities.  
All recognised gains and losses are included in the profit and loss account.

The notes on pages 9 to 19 form part of these financial statements.

# Nlyte Software Americas Limited

## Balance sheet at 31 December 2014

| Company number 07470046                               | Note | 31 December<br>2014<br>US\$ | 31 December<br>2014<br>US\$ | 30 June<br>2013<br>US\$ | 30 June<br>2013<br>US\$ |
|---|------|-----------------------------|-----------------------------|-------------------------|-------------------------|
| <b>Fixed assets</b>                                   |      |                             |                             |                         |                         |
| Tangible assets                                       | 8    |                             | 126,354                     |                         | 118,004                 |
| <b>Current assets</b>                                 |      |                             |                             |                         |                         |
| Debtors   | 9    | 5,593,774                   |                             | 1,645,585               |                         |
| Cash at bank and in hand                              |      | 507,997                     |                             | 857,719                 |                         |
|   |      | <u>6,101,771</u>            |                             | <u>2,503,304</u>        |                         |
| <b>Creditors: amounts falling due within one year</b> | 10   | <u>(4,998,226)</u>          |                             | <u>(1,467,952)</u>      |                         |
| <b>Net current assets</b>                             |      |                             | <u>1,103,545</u>            |                         | <u>1,035,351</u>        |
| <b>Total assets less current liabilities</b>          |      |                             | <u>1,229,899</u>            |                         | <u>1,153,356</u>        |
| <b>Creditors: amounts falling due after one year</b>  | 11   |                             | <u>(12,341,677)</u>         |                         | <u>(8,592,095)</u>      |
| <b>Net liabilities</b>                                |      |                             | <u>(11,111,778)</u>         |                         | <u>(7,438,740)</u>      |
| <b>Capital and reserves</b>                           |      |                             |                             |                         |                         |
| Called up share capital                               | 12   |                             | 3                           |                         | 3                       |
| Other reserves  | 13   |                             | 721,414                     |                         | 721,414                 |
| Profit and loss account                               | 14   |                             | <u>(11,833,195)</u>         |                         | <u>(8,160,157)</u>      |
| <b>Shareholders' deficit</b>                          | 15   |                             | <u>(11,111,778)</u>         |                         | <u>(7,438,740)</u>      |

The financial statements were approved by the Board and authorised for issue on **23 June 2015**

D Sabella  
Director



The notes on pages 9 to 19 form part of these financial statements.

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the period ended 31 December 2014

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## 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

### *Functional and presentational currency*

The functional and presentational currency adopted in preparing the financial statements is the US Dollar.

### *Going concern*

The director is required to make an assessment of the company's ability to continue to trade as a going concern. The company is reliant on the continued financial support of its ultimate parent company. The director has received confirmation from the parent company that financial support will be provided for the foreseeable future and with this support the director believes the company has sufficient resources to continue trading and it is therefore appropriate to prepare the company's financial statements on a going concern basis.

### *Turnover*

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivables for goods and services provided, net of discounts and VAT.

Turnover in respect of:

- i) the sale of software licences is recognised on delivery of the software key to the customer.
- ii) professional services (project management, implementation, integration and training) are recognised as the services are delivered to the customer and full performance has been agreed.
- iii) Support revenue is recognised evenly over the period in which the support contract services are provided to the customer.

### *Tangible fixed assets*

All tangible fixed assets are stated at cost.

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

|                                  |   |               |
|----------------------------------|---|---------------|
| Computer equipment               | - | 33% per annum |
| Fixtures, fittings and equipment | - | 20% per annum |

### *Deferred taxation*

Deferred tax is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future or a right to pay less taxation in the future. An asset is recognised where there is no uncertainty as to the transfer of future economic benefits. Deferred tax assets and liabilities are not discounted.

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the period ended 31 December 2014 (*continued*)

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## 1 Accounting policies (*continued*)

### *Leased assets*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

### *Foreign currency*

Foreign currency transactions are translated at the rates ruling when the transaction occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the profit and loss account.

### *Research and development*

Expenditure on pure and applied research is charged to the profit and loss account in the period in which it is incurred.

Development costs are also charged to the profit and loss account in the period of expenditure, unless individual projects satisfy all of the following criteria:

- the projects are clearly defined and related expenditure is separately identifiable;
- the projects are technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the projects to be completed.

In such circumstances the costs are carried forward and amortised over a year not exceeding 3 years commencing in the year the company starts to benefit from the expenditure.

### *Share-based payments*

The company's employees receive share options and awards under the parent company share option schemes.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with fair value of goods and services received.

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the period ended 31 December 2014 (continued)

## 2 Turnover

Turnover is attributable to the following markets:

|                | 18 months<br>ended<br>31 December<br>2014 | Year ended<br>30 June<br>2013 |
|----------------|---|-------------------------------|
| United Kingdom | 7%  | 37%                           |
| North America  | 93%                                       | 63%                           |
|                | <u>100%</u>                               | <u>100%</u>                   |

## 3 Interest payable and similar charges

|                        | 18 months<br>ended<br>31 December<br>2014<br>US\$ | Year ended<br>30 June<br>2013<br>US\$ |
|------------------------|---|---------------------------------------|
| Other interest payable | 75,959  | 35,815                                |
| Bank charges           | 23,849  | 13,241                                |
|                        | <u>99,808</u>                                     | <u>49,056</u>                         |

## 4 Employees

|   | 18 months<br>ended<br>31 December<br>2014<br>US\$ | Year ended<br>30 June<br>2013<br>US\$ |
|---|---|---------------------------------------|
| Staff costs (including directors) consist of: |   |                                       |
| Wages and salaries                            | 7,581,086   | 4,617,227                             |
| Social security cost                          | 545,153   | 318,782                               |
| Share based payment (see note 16)             | 154,057   | 94,050                                |
|   | <u>8,280,296</u>                                  | <u>5,030,059</u>                      |

The average number of employees (including directors) during the period was 34 (30 June 2013 - 30).

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the period ended 31 December 2014 (continued)

## 5 Loss on ordinary activities

|   | 18 months<br>ended<br>31 December<br>2014<br>US\$ | Year ended<br>30 June<br>2013<br>US\$ |
|---|---|---------------------------------------|
| This is arrived at after charging:      |   |                                       |
| Depreciation                            | 92,908  | 52,650                                |
| Hire of other assets - operating leases | 208,556   | 166,986                               |
| Auditor's remuneration                  | 10,000  | 5,000                                 |
|   | <u>311,464</u>                                    | <u>224,636</u>                        |

## 6 Director's remuneration

|                     | 18 months<br>ended<br>31 December<br>2014<br>US\$ | Year ended<br>30 June<br>2013<br>US\$ |
|---------------------|---|---------------------------------------|
| Emoluments          | 579,328   | 360,085                               |
| Share based payment | 72,159  | 24,053                                |
|                     | <u>651,487</u>                                    | <u>384,138</u>                        |

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the period ended 31 December 2014 (continued)

## 7 Taxation on loss on ordinary activities

|                                     | 18 months<br>ended<br>31 December<br>2014<br>US\$ | Year ended<br>30 June<br>2013<br>US\$ |
|-------------------------------------|---|---------------------------------------|
| <i>Foreign tax</i>                  |   |                                       |
| Current tax on foreign income       | 18,956  | 9,607                                 |
|                                     | <hr/>   | <hr/>                                 |
| Total current tax charge for period | 18,956  | 9,607                                 |
|                                     | <hr/>   | <hr/>                                 |

The tax assessed for the period at the standard rate of corporation tax applied in the UK reconciled to the loss before tax is:

|   | 18 months<br>ended<br>31 December<br>2014<br>US\$ | Year ended<br>30 June<br>2013<br>US\$ |
|---|---|---------------------------------------|
| Loss on ordinary activities before tax                                | (3,808,139)                                       | (2,806,849)                           |
|   | <hr/>   | <hr/>                                 |
| Loss at standard rate of UK corporation tax at 22.00% (2013 - 23.75%) | (837,721)   | (666,627)                             |
| Capital allowances in excess of depreciation                          | 10,439  | 12,504                                |
| Expenses not deductible for tax purposes                              | 13,180  | 1,656                                 |
| Losses not recognised   | 780,209   | 630,130                               |
| Share based payment   | 33,893  | 22,337                                |
| Foreign tax   | 18,586  | 9,607                                 |
|   | <hr/>   | <hr/>                                 |
|   | 18,956  | 9,607                                 |
|   | <hr/>   | <hr/>                                 |

### *Factors that may affect future tax charges*

The company has significant tax losses which can be used against future taxable profits. No deferred tax asset has been recognised in respect of these losses as their utilisation in the foreseeable future is uncertain. The company's overseas tax rates are higher than those in the UK because US tax rates are approximately 40%.

## Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the period ended 31 December 2014 (*continued*)

### 8 Tangible assets

|                         | Computer<br>equipment<br>US\$ | Fixtures,<br>fittings and<br>equipment<br>US\$ | Total<br>US\$  |
|-------------------------|-------------------------------|--|----------------|
| <i>Cost</i>             |                               |  |                |
| At 1 July 2013          | 181,676                       | 81,972   | 263,648        |
| Additions               | 98,475                        | 2,783  | 101,258        |
|                         | <hr/>                         | <hr/>  | <hr/>          |
| At 31 December 2014     | <b>280,151</b>                | <b>84,755</b>                                  | <b>364,906</b> |
| <i>Depreciation</i>     |                               |  |                |
| At 1 July 2013          | 110,140                       | 35,504   | 145,644        |
| Provided for the period | 73,215                        | 19,693   | 92,908         |
|                         | <hr/>                         | <hr/>  | <hr/>          |
| At 31 December 2014     | <b>183,355</b>                | <b>55,197</b>                                  | <b>238,552</b> |
| <i>Net book value</i>   |                               |  |                |
| At 31 December 2014     | <b>96,796</b>                 | <b>29,558</b>                                  | <b>126,354</b> |
|                         | <hr/>                         | <hr/>  | <hr/>          |
| At 30 June 2013         | 71,536                        | 46,468   | 118,004        |
|                         | <hr/>                         | <hr/>  | <hr/>          |

### 9 Debtors

|                                   | 31 December<br>2014<br>US\$ | 30 June<br>2013<br>US\$ |
|-----------------------------------|-----------------------------|-------------------------|
| Trade debtors                     | 5,111,653                   | 569,543                 |
| Amount owed by parent undertaking | -                           | 871,276                 |
| Other debtors                     | 192,069                     | 24,905                  |
| Prepayment and accrued income     | 290,052                     | 179,861                 |
|                                   | <hr/>                       | <hr/>                   |
|                                   | <b>5,593,774</b>            | <b>1,645,585</b>        |
|                                   | <hr/>                       | <hr/>                   |

All amounts shown under debtors fall due for payment within one year.



# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the period ended 31 December 2014 (continued)

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## 10 Creditors: amounts falling due within one year

|                              | 31 December<br>2014<br>US\$ | 30 June<br>2013<br>US\$ |
|------------------------------|-----------------------------|-------------------------|
| Trade creditors              | 199,779                     | 228,672                 |
| Taxation and social security | 119,889                     | 11,760                  |
| Accruals and deferred income | 4,678,558                   | 1,227,520               |
|                              | <hr/>                       | <hr/>                   |
|                              | <b>4,998,226</b>            | <b>1,467,952</b>        |
|                              | <hr/>                       | <hr/>                   |

## 11 Creditors: amounts falling due after one year

|                                   | 31 December<br>2014<br>US\$ | 30 June<br>2013<br>US\$ |
|-----------------------------------|-----------------------------|-------------------------|
| Amount owed to parent undertaking | 12,220,787                  | 8,503,833               |
| Deferred income                   | 120,890                     | 88,262                  |
|                                   | <hr/>                       | <hr/>                   |
|                                   | <b>12,341,677</b>           | <b>8,592,095</b>        |
|                                   | <hr/>                       | <hr/>                   |

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the period ended 31 December 2014 (continued)

## 12 Share capital

|                                  | Allotted, called up and fully paid |                              |                           |                          |
|----------------------------------|------------------------------------|------------------------------|---------------------------|--------------------------|
|                                  | 31 December<br>2014<br>Number      | 31 December<br>2014<br>US \$ | 30 June<br>2013<br>Number | 30 June<br>2013<br>US \$ |
| Ordinary shares of US\$1.00 each | 3                                  | 3                            | 3                         | 3                        |

The company issued three ordinary US\$1.00 shares on incorporation at their par value.

At 31 December 2014 the following share options in the ultimate parent company, were outstanding including options that had vested but had not been exercised at the period end:

| Date of grant | Number of shares | Period of option                | Exercise<br>Price per<br>share |
|---------------|------------------|---------------------------------|--------------------------------|
| 2011          | 1,500            | Vested                          | £0.34                          |
| 2011          | 3,046            | June 2011 - October 2013        | £0.34                          |
| 2011          | 4,873            | June 2011 - December 2013       | £0.34                          |
| 2011          | 35,320           | June 2011 - February 2014       | £0.34                          |
| 2011          | 16,245           | July 2011 - June 2015           | £0.34                          |
| 2012          | 71,502           | August 2012 - January 2016      | £0.34                          |
| 2012          | 17,683           | August 2012 - May 2016          | £0.34                          |
| 2012          | 1,108,227        | August 2012 - July 2016         | £0.34                          |
| 2012          | 108,500          | November 2012 - September 2016  | £0.34                          |
| 2012          | 4,873            | November 2012 - October 2016    | £0.34                          |
| 2012          | 265,134          | November 2012 - November 2016   | £0.34                          |
| 2013          | 4,873            | March 2013 - January 2017       | £0.34                          |
| 2013          | 4,873            | March 2013 - February 2017      | £0.34                          |
| 2013          | 10,153           | August 2013 - May 2017          | £0.34                          |
| 2013          | 27,500           | August 2013 - August 2017       | £0.34                          |
| 2013          | 10,153           | September 2013 - September 2014 | £0.34                          |
| 2014          | 12,000           | June 2014 - March 2017          | £0.34                          |
| 2014          | 10,153           | June 2014 - November 2017       | £0.34                          |
| 2014          | 18,072           | June 2014 - February 2018       | £0.34                          |
| 2014          | 7,500            | June 2014 - March 2018          | £0.34                          |
| 2014          | 10,153           | June 2014 - May 2018            | £0.34                          |
| 2014          | 23,519           | June 2014 - June 2018           | £0.34                          |
| 2014          | 193,261          | December 2014 - July 2018       | £0.71                          |
| 2014          | 13,199           | December 2014 - October 2018    | £0.71                          |

## 13 Reserves

|                                    | Other<br>reserves<br>US\$ | Profit<br>and loss<br>account<br>US\$ |
|------------------------------------|---------------------------|---------------------------------------|
| At 1 July 2013                     | 721,414                   | (8,160,157)                           |
| Loss for the period                | -                         | (3,827,095)                           |
| Share based payments (see note 16) | -                         | 154,057                               |
|                                    | <hr/>                     | <hr/>                                 |
| At 31 December 2014                | <b>721,414</b>            | <b>(11,833,195)</b>                   |

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the period ended 31 December 2014 *(continued)*

## 14 Reconciliation of movements in shareholders' deficit

|   | 31 December<br>2014<br>US\$ | 30 June<br>2013<br>US\$ |
|---|-----------------------------|-------------------------|
| Loss for period   | (3,827,095)                 | (2,816,456)             |
| Other net recognised gains and losses:<br>Share based payment (see note 16) | 154,057                     | 94,050                  |
|   | (3,673,038)                 | (2,722,406)             |
| Net shareholders' deficit   |                             |                         |
| Opening shareholders' deficit   | (7,438,740)                 | (4,716,334)             |
|   | (11,111,778)                | (7,438,740)             |
| Closing shareholders' deficit   |                             |                         |

## 15 Commitments under operating leases

Annual commitments under non-cancellable operating leases are set out below:

|                                | Land and<br>buildings<br>31 December<br>2014<br>US\$ | Land and<br>buildings<br>30 June<br>2013<br>US\$ |
|--------------------------------|--|--|
| Operating leases which expire: |  |  |
| In two to five years           | 208,556  | 132,472  |
|                                | 208,556  | 132,472  |

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the period ended 31 December 2014 (continued)

## 16 Share based payment

The ultimate parent company operates an Enterprise Management Incentive ("EMI") scheme for the Company's employees.

Under the EMI scheme, 25% of the share options granted vest on the first anniversary of the grant, with the balance vesting monthly until all the share options are vested 48 months from the date of grant.

|  | 31 December<br>2014<br>Weighted<br>average<br>exercise<br>price<br>(pence) | 31 December<br>2014<br>Number | 30 June<br>2013<br>Weighted<br>average<br>exercise<br>price<br>(pence) | 30 June<br>2013<br>Number |
|--|--|-------------------------------|--|---------------------------|
| Outstanding at the beginning of the period | 34.00  | 1,929,795                     | 34.00  | 548,716                   |
| Granted during the period                  | 54.00  | 389,474                       | 34.00  | 1,924,514                 |
| Forfeited during the period                | 34.00  | (336,957)                     | 34.00  | (533,435)                 |
| Exercised during the period                | 34.00  | -                             | 34.00  | (10,000)                  |
| Outstanding at the end of the period       |  | <u>1,982,312</u>              | 34.00  | <u>1,929,795</u>          |

The weighted average exercise price of options outstanding at the end of the period was 38.00p (30 June 2013 - 34p.) and their weighted average contractual life was 40 months (30 June 2013 - 40 months).

Of the total number of options outstanding at the end of the period 1,023,866 (30 June 2013 – 135,171) had vested and were exercisable at the end of the period.

The weighted average fair value of each option granted during the period was 38.00p (30 June 2013 - 34.00p).

The fair value of the options issued in the period was measured using the following information:

|  | 31 December<br>2014 | 30 June<br>2013 |
|--|---------------------|-----------------|
| <b>Equity-settled</b>                              |                     |                 |
| Option pricing model used                          | Binomial            | Binomial        |
| Weighted average share price at grant date (pence) | 34.00               | 34.00           |
| Exercise price (pence)                             | 34.00 & 71.00       | 34.00           |
| Weighted average contractual life (days)           | 1,460               | 1,460           |
| Expected volatility                                | 27%                 | 33%             |
| Expected dividend growth rate                      | 0%                  | 0%              |
| Risk-free interest rate                            | 1.14%               | 1.32%           |

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of published share prices of similar quoted companies.

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the period-ended 31 December 2014 (continued)

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## 16 Share based payment (continued)

The share-based remuneration expense comprises:

|                        | 31 December<br>2014<br>\$ | 30 June<br>2013<br>\$ |
|------------------------|---------------------------|-----------------------|
| Equity-settled schemes | 154,057                   | 94,050                |

The ultimate parent company did not enter into any share-based payment transactions with parties other than employees during the current or previous period.

## 17 Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is included in the consolidated financial statements prepared by its parent company.

## 18 Related party disclosures

The company has taken advantage of the exemption available to it not to disclose transactions with members of the group headed by Nlyte Software Limited on the grounds that 100% of the voting rights in the company are controlled by the group and the company is included in consolidated financial statements.

## 19 Ultimate parent company and controlling party

The ultimate parent company is Nlyte Software Limited, a company registered in England. Copies of the consolidated financial statements of Nlyte Software Limited are available from Companies House.

There is no ultimate controlling party.