

Nlyte Software Americas Limited

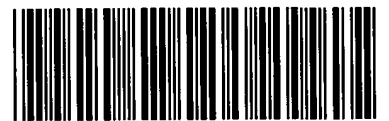
Report and Financial Statements

Year Ended

31 December 2015

Company Number 07470046

THURSDAY



L5GKFU9L

L10

29/09/2016

#8

COMPANIES HOUSE

Nlyte Software Americas Limited

**Report and financial statements
for the year ended 31 December 2015**

Contents

Page:

1	Report of the director
4	Independent auditor's report
6	Income statement
7	Balance sheet
8	Notes forming part of the financial statements

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

Report of the director for the year ended 31 December 2015

The director presents his report together with the audited financial statements for the year ended 31 December 2015.

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the year.

The directors do not recommend the payment of a dividend (2014 - \$Nil).

Principal activity and review of the business

The company principally licenses its software on an on premise perpetual basis. Notwithstanding that, it does make its software available on a SaaS platform which a number of customers have taken advantage of.

Future developments

The directors do not anticipate any changes on the principal activity of the company for the foreseeable future.

Going Concern

The ultimate parent company, Nlyte Software Limited, has confirmed it will provide financial support to the Company.

Based on this support the financial statements have been prepared on a going concern basis.

Director

The director of the company during the year was:

D Sabella

Nlyte Software Americas Limited

Report of the director for the year ended 31 December 2015

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 year. 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 year.

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 year ended 31 December 2015 (*continued*)

Disclosure of information to the auditors

So far as the director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. The director has taken all the steps that he is obliged to take as director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

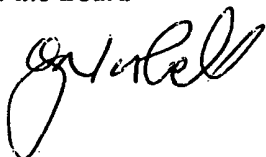
Auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be prepared at the Annual General Meeting for the reappointment of BDO as auditor of the company.

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

By order of the Board

O J Nisbett



Secretary

Date 29 September 2016

Nlyte Software Americas Limited

Independent auditor's report

TO THE MEMBERS OF NLYTE SOFTWARE AMERICAS LIMITED

We have audited the financial statements of Nlyte Software Americas Limited for the year ended 31 December 2015 which comprise the income statement, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 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.

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 2015 and of its loss for the year 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit we have identified no material misstatements in the directors' report.

Nlyte Software Americas Limited

Independent auditor's report (*continued*)

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 and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

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

Date 29 September 2016

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

Nlyte Software Americas Limited

Income statement for the year ended 31 December 2015

	Note	Year ended 31 December 2015 US\$	18 months ended 31 December 2014 US\$
Turnover		16,743,312	15,712,769
Cost of sales		(7,346,881)	(6,130,753)
Gross profit		9,396,431	9,582,016
Share based payments	7	(90,518)	(154,057)
Other administrative expenses		(9,910,762)	(13,234,726)
Total administrative expenses		(10,001,280)	(13,388,783)
Operating loss	3	(604,849)	(3,806,767)
Interest receivable and similar income		12	-
Interest payable and similar charges		(15,780)	(99,808)
Loss on ordinary activities before taxation		(620,617)	(3,906,575)
Taxation on loss on ordinary activities		(24,661)	(18,956)
Loss on ordinary activities after taxation		(645,278)	(3,925,531)

All amounts relate to continuing activities.

The notes on pages 8 to 13 form part of these financial statements.

Nlyte Software Americas Limited

Balance sheet at 31 December 2015

Company number 07470046	Note	2015 US\$	2015 US\$	2014 US\$ As restated	2014 US\$ As restated
Fixed assets					
Tangible assets	4		100,429		126,354
Current assets					
Debtors		4,260,885		5,593,774	
Cash at bank and in hand		1,900,843		507,997	
		<u>6,161,728</u>		<u>6,101,771</u>	
Creditors: amounts falling due within one year	5	(17,727,075)		(17,317,449)	
		<u>6,161,728</u>		<u>6,101,771</u>	
Net current liabilities			(11,565,347)		(11,215,678)
Total assets less current liabilities			(11,464,918)		(11,089,324)
Creditors: amounts falling due after one year			(300,056)		(120,890)
Net liabilities			(11,764,974)		(11,210,214)
Capital and reserves					
Called up share capital			3		3
Other reserves			721,414		721,414
Profit and loss account			(12,486,391)		(11,931,631)
Shareholders' deficit			(11,764,974)		(11,210,214)

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved by the Board and authorised for issue on *29 September 2016*.


D Sabella
Director

The notes on pages 8 to 13 form part of these financial statements.

Nlyte Software Americas Limited

Notes forming part of the financial statements for the year ended 31 December 2015

1 Accounting policies

Nlyte Software Americas Limited is a private company, limited by shares and domiciled in England. The registered office is set out on the contents page. The nature of the company's operations and its principal activities is set out in the report of the directors.

The accounts have been prepared in accordance with the provisions of FRS 102 Section 1A Small Entities. There were no material departures from that standard.

The financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS 102 Section 1A Small Entities. The date of transition is 1 January 2014. Information on the impact of the first-time adoption of FRS 102 is given in note 8.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies.

The principal accounting policies adopted in the preparation of the financial statements are set below.

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 year 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

Nlyte Software Americas Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

1 Accounting policies (*continued*)

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.

Current tax, including UK Corporation and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

Financial assets

Financial assets are mutually measured at transaction price and subsequently held at cost less any impairment.

Financial Liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instruments legal form.

All creditors are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the company has calculated that the difference between the historical cost and amortised cost is not material and so these financial instruments are stated on the balance sheet at historical cost.

The directors have considered the underlying agreements from entities in the group and consider that under the terms of these agreements that all of the amounts should be shown as due in under one year at the balance sheet date. The 2014 figures have been adjusted to reflect this.

Intercompany loans are calculated on the present value of the future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Nlyte Software Americas Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (*continued*)

1 Accounting policies (*continued*)

Research and development

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

Development costs are also charged to the profit and loss account in the year 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.

Statement of cash flows

The company has taken advantage of the exemption available under Section 1A Small Entities from preparing a statement of cash flows.

Nlyte Software Americas Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (*continued*)

2 Employees

The average number of employees (including directors) during the year was 42 (2014 - 34).

3 Operating loss

	Year ended 31 December 2015 US\$	18 months ended 31 December 2014 US\$
This is arrived at after charging:		
Depreciation	71,566	92,908
Hire of other assets - operating leases	132,477	208,556
Auditor's remuneration – Audit services	10,000	10,000
	<u> </u>	<u> </u>

4 Tangible assets

	Computer equipment US\$	Fixtures, fittings and equipment US\$	Total US\$
<i>Cost</i>			
At 1 January 2015	280,151	84,755	364,906
Additions	45,641	-	45,641
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2015	325,792	84,755	410,547
	<u> </u>	<u> </u>	<u> </u>
<i>Depreciation</i>			
At 1 January 2015	183,355	55,197	238,552
Provided for the year	58,386	13,180	71,566
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2015	241,741	68,377	310,118
	<u> </u>	<u> </u>	<u> </u>
<i>Net book value</i>			
At 31 December 2015	84,051	16,378	100,429
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2014	96,796	29,558	126,354
	<u> </u>	<u> </u>	<u> </u>

Nlyte Software Americas Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (continued)

5 Creditors: amounts falling due within one year

There are no amounts included under 'creditors' in respect of which any security has been given by the small entity

6 Commitments under operating leases

The Company has future commitments under non-cancellable operating leases of \$132,477 (2014 \$132,477)

7 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.

The weighted average exercise price of options outstanding at the end of the year was 40.00p (2014 - 38.00p,) and their weighted average contractual life was 40 months (2014 - 40 months).

Of the total number of options outstanding at the end of the year 1,405,169 (2014 - 1,023,866) had vested and were exercisable at the end of the year.

Exercise Price (p)	2015 No.	2014 No.
34.00	1,775,852	1,590,711
71.00	206,460	312,007

The share-based remuneration expense comprises:

	2015 \$	2014 \$
Equity-settled schemes	<u>90,518</u>	<u>154,057</u>

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

Nlyte Software Americas Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (continued)

8 First time adoption of FRS 102

	Note	Profit for the Period ended 31 December 2014 £'000	Equity as at 31 December 2014 £'000
As previously stated under former UK GAAP		(3,827,095)	(11,111,778)
Transitional adjustments			
Employee Holiday Pay accrual	a	(98,436)	(98,436)
		<hr/>	<hr/>
As stated in accordance with FRS 102		(3,925,531)	(11,210,214)
		<hr/>	<hr/>

- a. FRS 102 requires that employee holiday pay due but not taken be accrued. Under previous UK GAAP, no accrual was made.

9 Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 Section 33 "Related Party Disclosures" paragraph 33.1A not to disclose transactions with group companies on the grounds that 100% of the voting rights in the company are controlled by the group.

10 Prior year restatement

There has been a reclassification in respect of amounts due to group undertakings in the prior year as the full amount of \$12,220,787 has been reclassified as falling due within one year. This reclassification is required to give a more accurate representation of the terms of payment existing between the company and fellow group undertakings. The restatement has no impact on 2014 total and net assets however net current assets have reduced by \$12,220,787 as a result.

11 Ultimate parent company and controlling party

The ultimate parent company is Nlyte Software Limited, a company registered in England. The registered office of the parent company is Riverside House, 26 Osiers Road, London, SW18 1NH. Copies of the consolidated financial statements of Nlyte Software Limited are available from Companies House.

There is no ultimate controlling party.