

Nlyte Software Americas Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 07470046



Nlyte Software Americas Limited

**Report and financial statements
for the year ended 31 December 2016**

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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

Director's Report for the year ended 31 December 2016

The director presents his report together with the audited financial statements for Nlyte Software Americas Limited ("the Company") the year ended 31 December 2016.

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year of \$685,000 (2015: loss of \$(645,000)).

The directors do not recommend the payment of a dividend (2015 - \$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 director does not anticipate any changes to the principal activity of the Company for the foreseeable future.

Going Concern

The Board is satisfied that the Company has adequate financial resources to continue to operate for the foreseeable future. Although the Company had net liabilities and a deficiency in working capital at 31 December 2016, the going concern basis is considered appropriate for the preparation of the financial statements. Nlyte Software Limited has confirmed it will provide continued financial support to the Company to enable it to meet its financial obligations for the foreseeable future, a period of at least one year from the date of approval of the financial statements.

Director

The director of the Company during the year was:

D Sabella

Nlyte Software Americas Limited

Director's Report for the year ended 31 December 2016

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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

Director's Report for the year ended 31 December 2016 *(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 25 September 2017

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 2016 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).

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.

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 2016 and of its profit 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, based on the work undertaken in the course of the audit:

- the information given in the Director's 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.

Nlyte Software Americas Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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.



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

25 September 2017

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 2016

	Note	2016 US\$	2015 US\$
Turnover		20,130,344	16,743,312
Cost of sales		<u>(9,017,410)</u>	<u>(7,346,881)</u>
Gross profit		11,112,934	9,396,431
Share based payments	7	(54,128)	(90,518)
Other administrative expenses		(10,335,238)	(9,910,762)
Total administrative expenses		<u>(10,369,366)</u>	<u>(10,001,280)</u>
Operating profit/(loss)	3	743,568	(604,849)
Interest receivable and similar income		-	12
Interest payable and similar charges		<u>(22,717)</u>	<u>(15,780)</u>
Profit /(loss) on ordinary activities before taxation		720,851	(620,617)
Taxation on profit/(loss) on ordinary activities		<u>(35,956)</u>	<u>(24,661)</u>
Profit/(loss) on ordinary activities after taxation		<u>684,895</u>	<u>(645,278)</u>

All amounts relate to continuing activities.

The notes on pages 8 to 12 form part of these financial statements.

Nlyte Software Americas Limited

Balance sheet at 31 December 2016

Company number 07470046	Note	2016 US\$	2016 US\$	2015 US\$	2015 US\$
Fixed assets					
Tangible assets	4		73,482		100,429
Current assets					
Debtors		8,757,875		4,260,885	
Cash at bank and in hand		2,675,805		1,900,843	
		<u>11,433,680</u>		<u>6,161,728</u>	
Creditors: amounts falling due within one year	5	(21,963,687)		(17,727,075)	
		<u>(10,530,007)</u>		<u>(11,565,347)</u>	
Net current liabilities			(10,530,007)		(11,565,347)
Total assets less current liabilities			(10,456,525)		(11,464,918)
Creditors: amounts falling due after one year			(569,426)		(300,056)
			<u>(11,025,951)</u>		<u>(11,764,974)</u>
Net liabilities			(11,025,951)		(11,764,974)
Capital and reserves					
Called up share capital			3		3
Other reserves			721,414		721,414
Profit and loss account			(11,747,368)		(12,486,391)
			<u>(11,025,951)</u>		<u>(11,764,974)</u>
Shareholders' deficit			(11,025,951)		(11,764,974)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board and authorised for issue on *25 September 2017*


D Sabella
Director

The notes on pages 8 to 12 form part of these financial statements.

Nlyte Software Americas Limited

Notes forming part of the financial statements for the year ended 31 December 2016

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 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 Board is satisfied that the Company has adequate financial resources to continue to operate for the foreseeable future. Although the Company had net liabilities and a deficiency in working capital at 31 December 2016, the going concern basis is considered appropriate for the preparation of the financial statements. Nlyte Software Limited has confirmed it will provide continued financial support to the Company to enable it to meet its financial obligations for the foreseeable future, a period of at least one year from the date of approval of the financial statements.

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 2016 (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.

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 2016 (*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 2016 (*continued*)

2 Employees

The average number of employees (including directors) during the year was 43 (2015 - 42).

3 Operating loss

	2016	2015
	US\$	US\$
This is arrived at after charging:		
Depreciation	69,259	71,566
Hire of other assets - operating leases	147,060	132,477
Auditor's remuneration - Audit services	15,000	10,000
	—————	—————

4 Tangible assets

	Computer equipment US\$	Fixtures, fittings and equipment US\$	Total US\$
<i>Cost</i>			
At 1 January 2016	325,792	84,755	410,547
Additions	42,312	-	42,312
	—————	—————	—————
At 31 December 2016	368,104	84,755	452,859
<i>Depreciation</i>			
At 1 January 2016	241,741	68,377	310,118
Provided for the year	56,130	13,129	69,259
	—————	—————	—————
At 31 December 2016	297,871	81,506	379,377
<i>Net book value</i>			
At 31 December 2016	70,233	3,249	73,482
At 31 December 2015	84,051	16,378	100,429

Nlyte Software Americas Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (*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 \$412,578 (2015 \$132,477)

7 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.

8 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.