

Nlyte Software Americas Limited

Report and Financial Statements

Year Ended

30 June 2013

Company Number 07470046

WEDNESDAY



L33ISHJ7

LD5

12/03/2014

#1

COMPANIES HOUSE

Nlyte Software Americas Limited

**Report and financial statements
for the year ended 30 June 2013**

Contents

Page:

1	Report of the director
3	Independent auditor's report
5	Profit and loss account
6	Balance sheet
7	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

Accountants

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

Nlyte Software Americas Limited

Report of the director for the year ended 30 June 2013

The director presents his report together with the audited financial statements for the year ended 30 June 2013

Results

The profit and loss account is set out on page 5 and shows the loss for the year

Principal activities

Nlyte Software Americas Limited is engaged in the business of selling and implementing software for the management of data centres and the provision of ancillary professional services

Director

The director of the company during the year were

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 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 30 June 2013 (continued)

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.

In preparing this report the director has taken advantage of the small companies exemption under Part 15 of the Companies Act 2006.

By order of the Board


O J Nisbett

Secretary

Date 12 MARCH 2014

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 30 June 2013 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 directors and auditors

As explained more fully in the statement of directors' 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 Financial Reporting Council'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 30 June 2013 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.

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 directors report in accordance with the small companies' regime



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

12 March 2014

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 year ended 30 June 2013

	Note	2013 US\$	2012 US\$
Turnover	2	7,201,192	5,687,795
Cost of sales		2,526,741	2,039,999
Gross profit		<u>4,674,451</u>	<u>3,647,796</u>
Share based payments		94,050	228,884
Other administrative expenses		7,338,385	6,648,238
Total administrative expenses		<u>7,432,435</u>	<u>6,877,122</u>
Operating loss		(2,757,984)	(3,229,326)
Interest receivable		191	369
Interest payable and similar charges	3	(49,056)	(108,217)
Loss on ordinary activities before taxation	4	(2,806,849)	(3,337,174)
Taxation on loss on ordinary activities	6	9,607	4,266
Loss on ordinary activities after taxation	12	(2,816,456)	(3,341,440)

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 7 to 13 form part of these financial statements

Nlyte Software Americas Limited

Balance sheet
at 30 June 2013

<i>Company number 07470046</i>	Note	2013 US\$	2013 US\$	2012 US\$	2012 US\$
Fixed assets					
Tangible assets	7		118,004		61,942
Current assets					
Debtors	8	1,645,585		965,884	
Cash at bank and in hand		857,719		528,874	
		<u>2,503,304</u>		<u>1,494,758</u>	
Creditors: amounts falling due within one year	9	<u>1,467,952</u>		<u>970,586</u>	
Net current assets			<u>1,035,351</u>		<u>524,172</u>
Total assets less current liabilities			<u>1,153,356</u>		<u>586,114</u>
Creditors: amounts falling due after one year	10		<u>8,592,095</u>		<u>5,302,448</u>
Capital and reserves					
Called up share capital	11	3		3	
Other reserves	12	721,414		721,414	
Profit and loss account	12	(8,160,157)		(5,437,751)	
Shareholders' deficit	13		<u>(7,438,740)</u>		<u>(4,716,334)</u>
			<u>1,153,355</u>		<u>586,114</u>

These 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 12 MARCH 2014


D Sabella
Director

The notes on pages 7 to 13 form part of these financial statements

Nlyte Software Americas Limited

Notes forming part of the financial statements for the year ended 30 June 2013

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 currency

The functional 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 receivable for goods and services provided, net of discounts and VAT.

Turnover in respect of:

- i) the sale of software licences is recognised on delivery to the customer
- ii) goods and 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

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 year ended 30 June 2013 (continued)

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 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 year. 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 year 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 year.

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 year ended 30 June 2013 (continued)

2 Turnover

Turnover is attributable to the following markets

	2013	2012
United Kingdom	37%	23%
North America	63%	77%
	<u>100%</u>	<u>100%</u>

3 Interest payable and similar charges

	2013 US\$	2012 US\$
Other interest payable	35,815	95,115
Bank Charges	13,241	13,102
	<u>49,056</u>	<u>108,217</u>

4 Loss on ordinary activities

	2013 US\$	2012 US\$
This is arrived at after charging		
Depreciation	52,650	53,638
Hire of other assets - operating leases	166,986	177,866
Auditor's remuneration	5,000	5,000
	<u>224,636</u>	<u>336,504</u>

5 Director's remuneration

	2013 US\$	2012 US\$
Emoluments	360,085	320,753
Share based payment	24,053	-
	<u>384,138</u>	<u>320,753</u>

Nlyte Software Americas Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (continued)

6 Taxation on loss on ordinary activities

	2013 US\$	2012 US\$
<i>Foreign tax</i>		
Current tax on foreign income	9,607	4,266
	<hr/>	<hr/>
Total current tax charge for year	9,607	4,266
	<hr/>	<hr/>
The tax assessed for the year at the standard rate of corporation tax applied in the UK reconciled to the loss before tax is		
	2013 US\$	2012 US\$
Loss on ordinary activities before tax	(2,806,849)	(3,337,174)
	<hr/>	<hr/>
Loss at standard rate of UK corporation tax at 23.75% (2012 - 26%)	(666,627)	(867,665)
Capital allowances in excess of depreciation	12,504	13,946
Expenses not deductible for tax purposes	1,656	3,914
Losses not recognised	630,130	790,295
Share based payment	22,337	59,510
Foreign tax	9,607	4,266
	<hr/>	<hr/>
	9,607	4,266
	<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 Federal tax rates are 35% plus local state taxes.

Nlyte Software Americas Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (*continued*)

7 Tangible assets

	Computer equipment US\$	Fixtures, fittings and equipment US\$	Total US\$
<i>Cost</i>			
At 1 July 2012	125,520	29,416	154,936
Additions	56,156	52,556	108,712
	<hr/>	<hr/>	<hr/>
At 30 June 2013	181,676	81,972	263,648
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 July 2012	69,968	23,026	92,994
Provided for the year	40,172	12,478	52,650
	<hr/>	<hr/>	<hr/>
At 30 June 2013	110,140	35,504	145,644
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 June 2013	71,536	46,468	118,004
	<hr/>	<hr/>	<hr/>
At 30 June 2012	55,552	6,390	61,942
	<hr/>	<hr/>	<hr/>

8 Debtors

	2013 US\$	2012 US\$
Trade debtors	569,543	447,678
Amount owed by parent undertaking	871,276	312,467
Other debtors	24,905	39,066
Prepayment and accrued income	179,861	166,673
	<hr/>	<hr/>
	1,645,585	965,884
	<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 year ended 30 June 2013 (continued)

9 Creditors: amounts falling due within one year

	2013 US\$	2012 US\$
Trade creditors	228,672	244,422
Taxation and social security	11,760	236
Accruals and deferred income	1,227,520	725,928
	<u>1,467,952</u>	<u>970,586</u>

10 Creditors: amounts falling due after one year

	2013 US\$	2012 US\$
Amount owed to parent undertaking	8,503,833	5,161,462
Deferred income	88,262	140,986
	<u>8,592,095</u>	<u>5,302,448</u>

11 Share capital

	2013 Number	Allotted, called up and fully paid		2012 US \$
		2013 US \$	2012 Number	
Ordinary shares of US\$1.00 each	3	3	3	3
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

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

12 Reserves

	Other reserves US\$	Profit and loss account US\$
At 1 July 2012	721,414	(5,437,751)
Loss for the year	-	(2,816,456)
Share based payments	-	94,050
	<u>721,414</u>	<u>(8,160,157)</u>
At 30 June 2013	<u>721,414</u>	<u>(8,160,157)</u>

Nlyte Software Americas Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (continued)

13 Reconciliation of movements in shareholders' deficit

	2013 US\$	2012 US\$
Loss for year	(2,816,456)	(3,341,440)
Other net recognised gains and losses Share based payment	94,050	228,884
Net shareholders' deficit	<u>(2,722,406)</u>	<u>(3,112,556)</u>
Opening shareholders' funds	<u>(4,716,334)</u>	<u>(1,603,778)</u>
Closing shareholders' funds	<u>(7,438,740)</u>	<u>(4,716,334)</u>

14 Commitments under operating leases

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

	Land and buildings 2013 US\$	Land and buildings 2012 US\$
Operating leases which expire		
In two to five years	<u>132,472</u>	<u>177,866</u>

15 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

16 Ultimate parent company

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

17 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