ION Consulting UK Limited

Directors' report and financial statements for the year ended 31 December 2013

Regıstered No 2294625

Directors

R Freeman (resıgned on 9 January 2013)
A Ceccolını (resıgned on 19 Aprıl 2013)
K Grehan (appoınted on 19 Aprıl 2013, resıgned on 3 June 2014)
J Nıcholson (resıgned on 15 November 2013)
A Hoare (appoınted on 15 November 2013)
C Clınch (appoınted on 3 June 2013)

Secretary

L Asaa (resıgned on 1 March 2014)
A Woods (appoınted on 1 March 2014)

Auditors

Ernst & Young,
Chartered Accountants,
Ernst & Young Buıldıng,
Harcourt Centre,
Harcourt Street,
Dublın 2,
Ireland

Registered office

26th Floor,
30 St Mary Axe,
London EC3A 8EP

Bankers

HSBC,
156-157 Tottenham Court Road,
London W1P 9LJ

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2013

Results and dividends

The profit on ordinary activities before taxation for the year amounted to £66,524 (2012 £72,659) After a tax charge of £5,115 (2012 £13,778), the net profit after taxation for the year amounted to £61,409 (2012 £58,881) No dividends were declared for either year and, accordingly, these amounts were taken to reserves

Principal activity and review of the business

The principal activity of the company continues to be that of software development and supply of computer software and services

The results for the year and the financial position at the year end were considered satisfactory by the directors

Future developments

The company will continue to be a supplier of computer software and related development and consulting services

Principal risks and uncertainties

The principal risks and uncertainties which the company faces are

- The company currently derives most of its revenue from a limited number of products As a result, a reduction in demand for, or sales of, these products would have a material adverse effect on the company's business, financial condition and operating results,
- The company depends currently on another group company for a significant portion of its revenue and the delay or loss of such revenue could adversely affect the company's business, financial condition and operating results,
- Potential defects in the company's products or failure to provide services for the company's customers could cause the company's revenue to decrease, cause the company to lose customers and damage the company's reputation,
- The company has a limited ability to protect its intellectual property rights, and others could obtain and use the company's technology without authorisation,
- The company may be exposed to significant liability if it infringes the intellectual property or proprietary rights of others

The company has insurances, business policies and organisational structures to limit these risks and uncertainties The board of directors and management regularly review, reassess and proactively limit the associated risks

Directors

The directors who served the company during the year, and up to the date of approval of the financial statements, were as follows

R Freeman	(resigned on 9 January 2013)
A Ceccolini	(resigned on 19 April 2013)
K Grehan	(appointed on 19 April 2013, resigned on 3 June 2014)
J Nicholson	(resigned on 15 November 2013)
A Hoare	(appointed on 15 November 2013)
C Clinch	(appointed on 3 June 2014)

There are no directors' interests requiring disclosure under the Companies Act 2006

Directors' report (continued)

Events since the balance sheet date

As disclosed in note 17, a new term loan facility was accorded by UBS Securities LLC to a fellow subsidiary undertaking during June 2014, resulting in a charge over the assets of the company and over those of certain fellow subsidiary undertakings

Going concern

The company has contractual arrangements in place with other group undertakings which ensures that the company will have adequate resources to operate for the foreseeable future This allows the directors to prepare the financial statements on a going concern basis

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006 They are 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

Auditors

The auditors, Ernst & Young, Chartered Accountants, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

On behalf of the board

C Clinch
Director

Date 29 September 2014

EY

Building a better working world

Independent auditor's report

to the members of ION Consulting UK Limited

We have audited the financial statements of ION Consulting UK Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 18 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 auditors' 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of. whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2013 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 matter 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.

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
- the financial statements are not in agreement with the accounting records, 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

T O'Keeffe

Tom O'Keeffe (Senior statutory auditor)
for and on behalf of Ernst & Young,
Chartered Accountants, Statutory Auditor
Dublin

Date 29/9/14

Profit and loss account
for the year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover – continuıng operatıons	2	920,284	954,197
Admınıstratıve expenses		(853,760)	(925,368)
Operatıng profit – continuıng operatıons	3	66,524	28,829
Other ıncome	5	–	43,830
Profıt on ordınary actıvıtıes before taxatıon		66,524	72,659
Tax charge on profit on ordınary actıvıtıes	6	(5,115)	(13,778)
Profıt for the fınancıal year		61,409	58,881

There were no recognısed gaıns or losses ın ether year other than the profit attrıbutable to shareholders of the company

Balance sheet
at 31 December 2013

	Notes	*2013* £	*2012* £
Assets employed			
Fixed assets			
Intangible assets	7	–	–
Tangible assets	8	–	–
Financial assets	9	36,296	36,296
		36,296	36,296
Current assets			
Debtors	10	7,287,090	5,270,470
Bank		1,182	1,258
		7,288,272	5,271,728
Creditors amounts falling due within one year	11	(6,302,485)	(4,347,350)
Net current assets		985,787	924,378
Total net assets		1,022,083	960,674
Financed by			
Capital and reserves			
Called up share capital	12	38,503	38,503
Share premium account	13	61,284	61,284
Profit and loss account	13	922,296	860,887
Total shareholders' funds	13	1,022,083	960,674

C Clinch
Director

Date 29 September 2014

Company registered number 2294625

Notes to the financial statements
31 December 2013

1. Accounting policies

Basıs of preparatıon
The financıal statements are prepared under the hıstorıcal cost conventıon and ın accordance wıth Generally Accepted Accountıng Practıce ın the Unıted Kıngdom (UK GAAP)

These financıal statements present ınformatıon about the company, and not ıts group The company has used the exemptıon conferred under sectıon 400 of the Companıes Act 2006 not to prepare group financıal statements as ıts ıntermedıate parent undertakıng, a company establıshed under the law of a member state of the European Unıon, prepares consolıdated financıal statements Detaıls ın respect of thıs ıntermedıate parent undertakıng are set out ın note 15 Consequently these financıal statements deal wıth the results and state of affaırs of the company as a sıngle entıty

The company has contractual arrangements ın place wıth other group undertakıngs whıch ensures that the company wıll have adequate resources to operate for the foreseeable future Thıs allows the dırectors to prepare the financıal statements on a goıng concern basıs

Statement of cash flows
Fınancıal Reportıng Standard No 1 (revısed 1996) 'Cash Flow Statements' exempts subsıdıary undertakıngs from the requırement to prepare a cash flow statement where 90% or more of the votıng rıghts are controlled by a group that prepares publıcly avaılable consolıdated financıal statements ın whıch the subsıdıary undertakıng's results are ıncluded The company has avaıled of thıs exemptıon

Tangıble fıxed assets and deprecıatıon
Tangıble fixed assets are stated at hıstorıcal cost or valuatıon less accumulated deprecıatıon

Deprecıatıon ıs provıded on all tangıble fixed assets, at rates calculated to wrıte off the cost, less estımated resıdual value based on prıces prevaılıng at the date of acquısıtıon of each asset evenly over ıts expected useful lıfe, as follows

Fıxtures and fittıngs	-	25% per annum
Computer equıpment	-	33% per annum

The carryıng values of tangıble (and other) fixed assets are revıewed for ımpaırment ın perıods ıf events or changes ın cırcumstances ındıcate the carryıng value may not be recoverable

Taxatıon
Current corporatıon tax ıs provıded at amounts expected to be paıd (or recovered) usıng the tax rates and laws that have been enacted for the financıal year

Deferred tax ıs recognısed ın respect of all tımıng dıfferences that have orıgınated but not reversed at the balance sheet date where transactıons or events have occurred at that date that wıll result ın an oblıgatıon to pay more, or a rıght to pay less or to receıve more, tax ın the future, wıth the exceptıon that deferred tax assets are recognısed only to the extent that the dırectors consıder that ıt ıs more lıkely than not that there wıll be suıtable taxable profits from whıch the future reversal of the underlyıng tımıng dıfferences can be deducted

Tımıng dıfferences are dıfferences between profit as computed for taxatıon purposes and taxatıon as stated ın the financıal statements whıch arıse because certaın ıtems of ıncome and expendıture ın the financıal statements are dealt wıth ın dıfferent perıods for taxatıon purposes

Deferred tax ıs measured on an undıscounted basıs at the tax rates that are expected to apply ın the perıods ın whıch tımıng dıfferences reverse, based on tax rates and laws enacted or substantıvely enacted at the balance sheet date

Notes to the financial statements

31 December 2013 (Continued)

1. Accounting policies (continued)

Foreign currencies

The financial statements are expressed in pounds sterling (£), the functional currency of the company Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at fixed contractual rates Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, as appropriate, at fixed contractual rates All differences are taken to the profit and loss account

Pension costs

The company operated a defined contribution pension scheme until 2009, when all remaining employees transferred their employment to another group undertaking Contributions were charged in the profit and loss account as they become payable in accordance with the rules of the scheme

Intangible fixed assets and amortisation

Intangible fixed assets purchased are capitalised at cost and amortised through the profit and loss account over the estimated useful life of the assets at a rate determined in accordance with the nature of the asset purchased The carrying value of intangible assets is reviewed for impairment at the end of each period if events or changes in circumstances indicate that the carrying value may not be recoverable Indicators, such as persistent operating losses, negative cash flows, significant fall in an asset's market value and physical damage to, or obsolescence of, an asset are monitored and provision is made for any impairment

Financial fixed assets

Financial fixed assets represent investments in subsidiary undertakings and are stated at cost less any provision for diminution in value

Research and development

Research and development expenditure is written off as incurred

2. Turnover

The total turnover of the company for the year is stated net of VAT and has been derived from its continuing principal activity wholly undertaken in the United Kingdom Turnover is all derived from overseas customers

3. Operating profit

Operating profit is stated after charging/(crediting)	*2013* £	*2012* £
Services provided by the company's auditors		
Fees payable for the audit	4,081	3,673
Fees payable for tax compliance	1,020	1,020
Foreign exchange gain	(39,789)	(1,025)

4. Staff costs

The company had no employees during the year (2012 nil) The directors did not receive any remuneration

Notes to the financial statements

31 December 2013 (Continued)

5. Other income

During the year, the company received a distribution of £Nil (2012 £23,148) on the liquidation of the company's subsidiary undertakings, ION Trading Malta Limited and Anvil Software Development Limited In addition, the company owed £Nil (2012 £20,682) to ION Trading Malta Limited at the liquidation date This was written back in the prior year to the profit and loss account as other income

6. Taxation

(a) Tax on profit on ordinary activities

The tax charge is made up as follows	*2013* £	*2012* £
Current tax		
UK corporation tax	–	–
Under-provision in respect of prior year	–	3,461
Total current tax (note 6 (b))	–	3,461
Deferred tax		
Origination and reversal of timing differences	2,953	7,214
Effect of changes in tax rate on opening asset	2,162	3,103
	5,115	10,317
Tax charge on profit on ordinary activities	5,115	13,778

(b) Factors affecting current tax charge

The actual tax charge differs from that computed using the standard rate of tax in the United Kingdom

The differences are reconciled below

	2013 £	*2012* £
Profit on ordinary activities before taxation	66,254	72,659
Profit on ordinary activities multiplied by standard rate of tax 23 25% (2012 24 5%)	15,467	17,801
Capital allowances in excess of depreciation	(2,923)	(3,883)
Exempt dividend income	–	(10,738)
Tax losses utilised	–	(2,252)
Group relief utilised	(12,544)	(928)
Under-provision in respect of previous year	–	3,461
Total current tax (note 6 (a))	–	3,461

Notes to the financial statements

31 December 2013 (Continued)

6. Taxation (continued)

(c) Deferred tax asset	*2013* £	*2012* £
Asset brought forward	16,568	26,885
Current year charge	(5,115)	(10,317)
Deferred taxation asset (note 10)	11,453	16,568

The deferred tax asset consists of decelerated capital allowances of £11,453 (2012 £16,063) and losses brought forward of £Nil (2012 £505)

(d) Factors affecting future tax charge

Changes to the corporation tax system enacted in Finance Act 2012 provided for a reduction in the UK tax rate from 24% to 23% effective from 1 April 2013

Finance Act 2013 provided for a further reduction from 1 April 2014 and from 21% to 20% from 1 April 2015

The deferred tax asset being carried at 31 December 2013 has been recognised at the 20% rate

7. Intangible fixed assets

	Software Development £	*Trademarks* £	*Total* £
Cost			
At 1 January 2013 and 31 December 2013	705,000	26,377	731,377
Amortisation			
At 1 January 2013 and 31 December 2013	705,000	26,377	731,377
Net book value			
At 1 January 2013 and 31 December 2013	–	–	–

8. Tangible fixed assets

	Fixtures & fittings £	*Computer equipment* £	*Total* £
Cost			
At 1 January 2013 and 31 December 2013	50,141	686,346	736,487
Depreciation			
At 1 January 2013 and 31 December 2013	50,141	686,346	736,487
Net book value			
At 1 January 2013 and 31 December 2013	–	–	–

Notes to the financial statements

31 December 2013 (Continued)

9. Financial fixed assets

	Shares in subsidiaries £
Cost	
At 1 January 2013	
and 31 December 2013	36,296
Provision for impairment	
At 1 January 2013	
and 31 December 2013	–
Net book values	
At 1 January 2013	
and 31 December 2013	36,296

The company owns 100% of the issued share capital of the companies listed below

Name	*Nature of Business*	*Registered Office*
ION Trading Australia Pty Limited	Supply of software engineering services	C-ION Australia, 61 York Street, Sydney, NSW 2000, Australia
ION Trading Canada Limited	Supply of software engineering services	100 King St West, P O Box 76, Suite #5650, Toronto, Ontario M5X 1B1, Canada

10. Debtors: amounts falling within one year

	2013 £	*2012* £
Amounts due from group undertakings	7,275,554	5,253,902
VAT receivable	83	–
Deferred taxation (note 6 (c))	11,453	16,568
	7,287,090	5,270,470

Notes to the financial statements

31 December 2013 (Continued)

11 Creditors: amounts falling due within one year

	2013 £	*2012* £
Trade creditors	–	44,087
Amounts owed to group undertakings	6,294,485	4,295,263
Accruals and deferred income	8,000	8,000
	6,302,485	4,347,350

12. Share capital

Authorised

	2013 £	*2012* £
500,000 ordinary shares of £1 each	500,000	500,000

Allotted and called up

	2013		*2012*	
	No	*£*	*No*	*£*
Ordinary shares of £1 each	38,503	38,503	38,503	38,503

13. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	*Share premium* £	*Profit and loss account* £	*Total shareholders' funds* £
At 1 January 2012	38,503	61,284	802,006	901,793
Profit for the year	–	–	58,881	58,881
At 31 December 2012	38,503	61,284	860,887	960,674
Profit for the year	–	–	61,409	61,409
At 31 December 2013	38,503	61,284	922,296	1,022,083

14. Related party transactions

The company is a subsidiary of ION Trading UK Limited, a company incorporated in the United Kingdom The company has availed of the exemption provided in Financial Reporting Standard Number 8 "Related Party Disclosures", for wholly owned subsidiary undertakings from the requirements to give details of transactions with entities that are part of the group or investees of the group qualifying as related parties

Notes to the financial statements

31 December 2013 (Continued)

15. Controllıng parties and parent company

The ımmedıate parent undertakıng and controllıng party ıs ION Tradıng UK Lımıted, a company ıncorporated ın England The parent undertakıng of the smallest and largest group of undertakıngs for whıch consolıdated fınancıal statements are prepared and of whıch the company ıs a member ıs ION Investment Group Lımıted, a company ıncorporated ın the Republıc of Ireland Copıes of these consolıdated fınancıal statements are avaılable from the Companıes Regıstratıon Office, Parnell Square, Dublın 1, Ireland

The company's ultımate parent undertakıng ıs ITT S àr l , a company ıncorporated ın Luxembourg At the year end, Mr A Pıgnataro owned ındırectly 97 26% (2012 97 26%) of ITT S àr l

16. Commitments

As part of a restructurıng ın May 2013, a new term loan facılıty was accorded by Credıt Suısse to a fellow subsıdıary undertakıng, resultıng ın a charge over the assets of the company and over those of certaın fellow subsıdıary undertakıngs Thıs facılıty was drawn ın full durıng May 2013, and refinanced ın June 2014 (note 17)

17. Events sınce the balance sheet date

As part of a restructurıng ın June 2014, a fellow subsıdıary undertakıng refinanced the debt ıt had drawn down ın May 2013 wıth a new facılıty accorded by UBS Securıtıes LLC, resultıng ın a charge over the assets of the company and over those of certaın fellow subsıdıary undertakıngs

18. Board approval

The Board of Dırectors approved and authorısed for ıssue the fınancıal statements ın respect of the year ended 31 December 2013 on 29 September 2014