

Registered number: 02715377

ASTEA (UK) LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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ASTEAL (UK) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents his report and the financial statements for the year ended 31 December 2017.

Principal activity

The principal activities of the company continued to be the sale of service lifecycle management and mobility software supplemented with customer centric professional services and maintenance support.

Director

The director who served during the year was:

F Etskovitz

Director's Responsibilities Statement

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 directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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.

Disclosure of information to auditor

The director confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ASTEA (UK) LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

This report was approved by the board on

September 28, 2018 and signed on its behalf.



F Etskovitz
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTEA (UK) LIMITED

Opinion

We have audited the financial statements of Astea (UK) Limited (the 'company') for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTEA (UK) LIMITED (CONTINUED)

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 Director's Report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report by the Companies Act 2006

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 Director's Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's Report and from the requirement to prepare a strategic report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTEA (UK) LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Director's Responsibilities Statement on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.



Amrish Shah BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date: 28 September 2018

ASTEA (UK) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Turnover	3,800,460	3,941,678
Cost of sales	(662,118)	(987,391)
Gross profit	3,138,342	2,954,287
Administrative expenses	(2,093,084)	(5,004,426)
Operating profit/(loss)	1,045,258	(2,050,139)
Interest receivable and similar income	54	857
Interest payable and expenses	(165,135)	(165,135)
Profit/(loss) before tax	880,177	(2,214,417)
Profit/(loss) for the financial year	880,177	(2,214,417)
Total comprehensive income for the year	880,177	(2,214,417)

There were no recognised gains and losses for 2017 or 2016 other than those included in the Statement of Comprehensive Income.

The notes on pages 9 to 18 form part of these financial statements.

ASTEA (UK) LIMITED
REGISTERED NUMBER: 02715377

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	7	5,897	10,075
		<u>5,897</u>	<u>10,075</u>
Current assets			
Debtors: amounts falling due within one year	8	484,404	1,067,711
Cash at bank and in hand	9	145,055	83,841
		<u>629,459</u>	<u>1,151,552</u>
Creditors: amounts falling due within one year	10	(9,486,071)	(8,909,043)
Net current liabilities		<u>(8,856,612)</u>	<u>(7,757,491)</u>
Total assets less current liabilities		<u>(8,850,715)</u>	<u>(7,747,416)</u>
Creditors: amounts falling due after more than one year	11	1,983,476	-
Net liabilities		<u>(6,867,239)</u>	<u>(7,747,416)</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		(6,867,241)	(7,747,418)
		<u>(6,867,239)</u>	<u>(7,747,416)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28/9/18


F Etskovitz
 Director

The notes on pages 9 to 18 form part of these financial statements.

ASTEA (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	2	(7,747,418)	(7,747,416)
Comprehensive income for the year			
Profit for the year	-	880,177	880,177
Total comprehensive income for the year	-	880,177	880,177
At 31 December 2017	2	(6,867,241)	(6,867,239)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016 (as previously stated)	2	(5,033,489)	(5,033,487)
Prior year adjustment	-	(499,512)	(499,512)
At 1 January 2016 (as restated)	2	(5,533,001)	(5,532,999)
Comprehensive income for the year			
Loss for the year	-	(2,214,417)	(2,214,417)
Total comprehensive income for the year	-	(2,214,417)	(2,214,417)
At 31 December 2016	2	(7,747,418)	(7,747,416)

The notes on pages 9 to 18 form part of these financial statements.

ASTEA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Astea UK Limited is a private company limited by shares and incorporated in England and Wales. Registered number 02715377. Its registered office address is located at North Suite Ground Floor The Place, Bridge Avenue, Maidenhead, Berkshire, SL6 1AF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

In the year to 31 December 2017 the company reported a loss before taxation of £1,044,702 (2016: loss before taxation of £2,214,417) and a net liabilities position of £8,794,118 (2016: £7,747,416). The net liabilities position includes an amount of £8,116,926 (2016: £6,772,603) owed to group undertakings and an amount of £Nil (2016: £Nil) due from group undertakings and so the 'external' net liabilities position is therefore £677,192 (2016: £974,813).

Furthermore, included in creditors is an amount of £1,138,962 (2016: £1,819,575). This balance comprises amounts received in advance with turnover deferred until the service has been provided. There is no cashflow associated with this balance.

The company has full support from its ultimate parent undertaking, Astea International Inc., to continue trading for the foreseeable future, being at least 12 months from the date of approval of these financial statements.

As with any company placing reliance on other group companies for financial support, the directors acknowledge that there can be no certainty that the support will continue, although as of the date of approval of these financial statements, they have no reason to believe that this support will not continue to be available.

The director continues to control the cost base in line with the expected growth and current economic factors.

For these reasons the director considers it appropriate to prepare the financial statements on a going concern basis.

ASTEAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

License sales are recognised on acceptance of delivery of the software. Software support and hosting services are invoiced annually and taken as revenue rateably over the period covered.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long Term Leasehold Property	- straight line over the term of the lease
Fixtures & fittings	- written off over 3 to 5 years
Office equipment	- 33% straight line
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

ASTEAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ASTEA (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

ASTEA (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.15 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

ASTEA (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Judgements and estimates are continually re-assessed and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual amount or values may vary in certain instances from assumptions and estimates made. Changes will be recorded, with corresponding effect in the Statement of Comprehensive Income, when and if, better information is obtained.

Critical judgements that management has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relate to the following:

Provisions for bad and doubtful debts

Provisions are made for significantly overdue items on the debtors ledger with specific provision for debtors in financial difficulty.

4. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	7,657	18,234
Exchange differences	(787,388)	807,559
Other operating lease rentals	83,845	75,385
Provision against amounts receivable from group undertakings	-	1,365,198
Defined contribution pension cost	53,325	43,714
	<u>53,325</u>	<u>43,714</u>

5. Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £ (2016 -).

6. Employees

The average monthly number of employees, including directors, during the year was 16 (2016: 18). During the year, no director received emoluments for services to the company (2016: £Nil).

ASTEA (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Tangible fixed assets

	Long Term Leasehold Property £	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2017	44,674	21,405	6,789	68,126	140,994
Additions	-	-	-	3,479	3,479
Disposals	-	-	-	(24,478)	(24,478)
At 31 December 2017	44,674	21,405	6,789	47,127	119,995
Depreciation					
At 1 January 2017	43,929	20,204	6,614	60,172	130,919
Charge for the year on owned assets	745	634	175	6,103	7,657
Disposals	-	-	-	(24,478)	(24,478)
At 31 December 2017	44,674	20,838	6,789	41,797	114,098
Net book value					
At 31 December 2017	-	567	-	5,330	5,897
At 31 December 2016	745	1,201	175	7,954	10,075

ASTEA (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Debtors

	2017 £	2016 £
Trade debtors	434,477	1,002,390
Other debtors	10,260	44,970
Prepayments and accrued income	39,667	20,351
	<u>484,404</u>	<u>1,067,711</u>

9. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	145,055	83,841
Less: bank overdrafts	(4,676)	(854)
	<u>140,379</u>	<u>82,987</u>

The cash balance includes a restricted balance of £43,920 (2016: £43,920).

10. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	4,676	854
Trade creditors	59,207	143,422
Amounts owed to group undertakings	8,175,523	6,772,603
Other taxation and social security	75,491	112,687
Accruals and deferred income	1,171,174	1,879,477
	<u>9,486,071</u>	<u>8,909,043</u>

11. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to group undertakings	<u>(1,983,476)</u>	<u>-</u>

ASTEAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

12. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at amortised cost	<u>444,737</u>	<u>1,047,360</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>9,351,982</u>	<u>8,796,356</u>

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise other loans, trade creditors, other creditors, accruals and deferred income and amounts owed to group undertakings.

13. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £53,325 (2016: £43,714) and accrued pension costs at the year end amounted to £54 (2016: £7,967).

14. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Amounts due within a year	77,592	-
Amounts due within 2-5 years	232,776	-
Amounts due beyond 5 years	-	-
	<u>310,368</u>	<u>-</u>

ASTEA (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 not to disclose transactions with members of the group headed by Astea International Inc. on the grounds that at least 100% of voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

16. Ultimate parent undertaking and controlling party

The company is a subsidiary of Astea Service & Distribution Systems BV, incorporated in the Netherlands. This is the smallest group in which the company's results are consolidated. The financial statements of Astea Service & Distribution Systems BV are available from Karner van Koophandel, Utrecht, Kroonstraat 50, 3511 RC Utrecht, The Netherlands (registration number 98543).

The ultimate parent company is Astea International Inc., a company incorporated in the United States of America. This is the largest group in which the company's results are consolidated. The financial statements of Astea International Inc. are available from 240 Gibraltar Road, Horsham, Pennsylvania, 19044, United States of America.