

Company registration number: 02968618 (England and Wales)

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

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MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	PB Wood A O'Neill
Company secretary	A O'Neill
Company registration number	02968618
Registered office	Old Change House 128 Queen Victoria Street London England EC4V 4BJ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Atrium 1 Harefield Road Uxbridge Middlesex UB8 1EX

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

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MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

REVIEW OF THE BUSINESS FOR THE YEAR ENDED 31 DECEMBER 2014

During 2014 turnover reduced by 33% to £315,000 (2013: £468,000) in line with the Board's expectations. Profit on ordinary activities before taxation fell by 33% to £193,000 (2013: £288,000).

The net asset position of the Microgen Asset Management Solutions Limited (the 'Company') increased to £791,000 (2013: £587,000).

The directors are confident that the company will progress satisfactorily in 2015.

On behalf of the board

A handwritten signature in black ink, appearing to be 'PB Wood', written over a horizontal line.

PB Wood
Director

9 June 2015

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their report and the audited financial statements of Microgen Asset Management Solutions Limited for the year ended 31 December 2014.

Principal activities, risks and uncertainties

The principal activity of the Company continued to be that of providing sophisticated software solutions and consultancy services to the asset management industry.

The management of the business and the execution of the Company's strategy are subject to a number of risks. The risks and uncertainties of the Microgen group as a whole, of which this Company is part of, are provided on page 9 of Microgen plc's annual financial statements.

Results and dividends

The results of the business are set out in the financial statements and notes that appear on pages 6 to 14. The Directors do not recommend the payment of a dividend for the year (2013: £nil).

Directors

The directors of the Company who were in office during the year and up to the date of signing of the financial statements were:

PB Wood
A O'Neill

The Company has purchased and maintained throughout the year directors' and officers' liability insurance in respect of itself and its directors.

The directors who are also on the Board of Microgen plc have the benefit of an indemnity contained under article 138 of Microgen plc's articles of association. Pursuant to this article 138, Microgen plc has granted indemnities for the benefit of current and future directors of, and the Company Secretary of Microgen plc in respect of liabilities which may attach to them in their capacity as directors of, or Company Secretary of, Microgen plc to the extent permitted by law and also committing to maintain directors' and officers' insurance cover. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year ended 31 December 2014 and continue in force, in relation to certain losses and liabilities which the directors (or Company Secretary) may incur to third parties in the course of acting as directors (or Company Secretary).

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared 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:

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of directors' responsibilities (continued)

- 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 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.

Disclosure of Information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each director has taken all the steps that he/ she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



PB Wood
Director

9 June 2015

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Microgen Asset Management Solutions Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

What we have audited

Microgen Asset Management Solutions Limited's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

Independent auditors' report to the members of Microgen Asset Management Solutions Limited

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

What an audit of financial statements involves

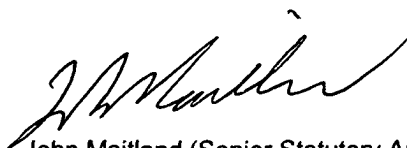
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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 the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



John Maitland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
9 June 2015

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £'000	2013 £'000
Turnover	2	315	468
Administrative expenses	3	(122)	(180)
Operating profit	3	<u>193</u>	<u>288</u>
Profit on ordinary activities before taxation		193	288
Tax on profit on ordinary activities	4	<u>11</u>	<u>2</u>
Profit for the financial year	9, 10	<u><u>204</u></u>	<u><u>290</u></u>

All results are derived from continuing operations.

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The notes on pages 8 to 14 form part of these financial statements.

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

Company registration number 02968618 (England and Wales)

		2014		2013	
	Note	£'000	£'000	£'000	£'000
Current assets					
Deferred tax asset	5	55		43	
Debtors	6	1,126		890	
		<u>1,181</u>		<u>933</u>	
Creditors: amounts falling due within one year	7	(390)		(346)	
Net current assets			791		587
Total assets less current liabilities			<u>791</u>		<u>587</u>
Net assets			<u>791</u>		<u>587</u>
Capital and reserves					
Called up share capital	8		5,100		5,100
Profit and loss account	9		(4,309)		(4,513)
Total shareholders' funds	10		<u>791</u>		<u>587</u>

The notes on pages 8 to 14 form part of these financial statements.

The financial statements on pages 6 to 14 were approved by the Board on 9 June 2015 and signed on its behalf

by 

PB Wood
Director

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

A summary of the principal accounting policies, which have been applied consistently throughout the current year as well as the prior year, is set out below.

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent undertaking, Microgen plc. The Directors have received confirmation that Microgen plc intends to support the Company for at least one year after these financial statements are signed.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of sales tax, returns, rebates and discounts and after eliminating sales within the Company.

The Company recognises revenue from each of these categories as follows:-

Software based activity

Software licences

The Company licences its software on an Initial Licence Fee, Perpetual Licence Fee or Annual Licence Fee basis.

Licence Fees are first recognised when all of the following criteria are met:-

- a signed contract or customer purchase order is in place;
- licence fee is fixed and determinable;
- evidence of software delivery has been received;
- collection of the debt is likely; and,
- no vendor specific obligations relating to the delivered software are outstanding.

Once all of these criteria have been met, all of the Initial or Perpetual Licence Fee is recognised and recognition of the Annual Licence Fee commences. Annual Licence Fees are recognised in the period the services are provided, using a straight-line basis over the term of the licence. In assessing whether the collection of the debt is likely, any deferred payments for Licence Fees are recognised only if they are to be invoiced within 90 days of the period end and such invoice is payable within 30 days of the invoice date.

Software Maintenance

Fees relating to the maintenance of the Company's software are recognised in the period the services are provided, using a straight-line basis over the term of the maintenance agreement.

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies (continued)

Revenue recognition (continued)

Funded development

Where a customer seeks enhancement to the core functionality of a Company product such enhancements will be considered for inclusion in the product road map. Where customers wish to accelerate the product development the Company may undertake funded development work. Revenue for funded development work is recognised on a percentage completed basis after deferring a proportion of the revenue to cover the resolution of any issues arising after the enhancement has been delivered to the customer. Once the enhancement has been accepted by the customer the deferred portion of the revenue is recognised.

IPR consultancy

The majority of consultancy services which relate to a project which includes the Company's software is contracted for on a time and materials basis and is recognised as such. Occasionally, small amounts of fixed priced or shared risk work is undertaken and this is recognised on a percentage completion basis after deferring a proportion of the overall revenue until the end of the relevant stage of the project. The percentage completed is determined with reference to effort incurred to date and effort required to complete the development.

Pensions

The Group operates money purchase pension schemes in respect of its UK employees. The schemes are defined contribution schemes and contributions are based on basic earnings for the current year. The schemes are funded by payments to a trustee-administered fund completely independent of the Group's finances. The expenditure is charged to the profit and loss account in the financial year to which it relates.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the financial years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Foreign currency

Trading transactions in foreign currency are translated into sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date or the exchange rate fixed under forward exchange contracts. Exchange gains or losses thereon are included in the profit and loss account.

Cash flow statement

The Company is a wholly owned subsidiary of Microgen plc and is included in the consolidated financial statements of Microgen plc which are publicly available. As such, advantage has been taken of the exemption in Financial Reporting Standard 1 (revised 1996) not to produce a cash flow statement.

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

2 Turnover

Turnover is attributable to one class of business and is split by geographical destination as follows:

	2014 £'000	2013 £'000
UK	263	417
Rest of Europe	52	51
Total turnover	<u>315</u>	<u>468</u>

3 Operating profit

	2014 £'000	2013 £'000
Administrative expenses comprise the following:		
Staff costs (note 12)	-	91
Other operating expenses	122	89
Total net administrative expenses	<u>122</u>	<u>180</u>

For 2014 and 2013, the audit fee for the Company was borne by fellow Microgen Group subsidiary, Microgen Management Services Limited and is disclosed in its financial statements.

4 Tax on profit on ordinary activities

	2014 £'000	2013 £'000
Current tax		
Adjustments in respect of prior periods	(1)	(1)
Total current tax	<u>(1)</u>	<u>(1)</u>
Deferred tax credit		
Origination and reversal of timing differences	12	3
Total deferred tax (note 5)	<u>12</u>	<u>3</u>
Tax on profit on ordinary activities	<u>11</u>	<u>2</u>

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

4 Tax on profit on ordinary activities (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2014 of 21.5% (2013: 23.25%). The differences are explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	193	288
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 21.5% (2013: 23.25%)	41	67
Effects of:		
Non-deductible expenses	1	1
Adjustments in respect of prior periods	(1)	(1)
Utilisation of losses from prior periods	(42)	(68)
Current tax charge for the year	(1)	(1)

Finance Act 2012, which was enacted on 17 July 2012, includes legislation reducing the main UK corporation tax rate from 24% to 23%, effective from 1 April 2013. Finance Act 2013, which was enacted on 17 July 2013, includes legislation reducing the main UK corporation tax rate from 23% to 21%, effective from 1 April 2014. The financial statements reflect these changes.

Finance Act 2013 also includes legislation reducing the main UK corporation tax rate from 21% to 20%, effective from 1 April 2015. The deferred tax balances continue to be measured at a rate of 20%.

5 Deferred tax asset

The deferred tax asset is made up as follows:

		£'000
Balance at 1 January 2014		43
Credit to Profit and loss account (note 4)		12
		<hr/>
Balance at 31 December 2014		55
		<hr/> <hr/>
	2014	2013
	£'000	£'000
Accelerated capital allowances	13	13
Losses	42	30
	<hr/>	<hr/>
	55	43
		<hr/>

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

5 Deferred tax asset (continued)

The Company has estimated tax losses of £1,551,000 (2013: £1,593,000) available for carry forward against future trading profits. A deferred tax asset of £41,000 (2013: £31,000) has been recognised in respect of £211,000 (2013: 153,000) of these losses. No deferred tax asset has been recognised in respect of the remaining losses, on the basis that the directors consider it uncertain that there will be sufficient taxable profits in the future such as to realise the full asset. The unrecognised deferred tax asset can only be recovered when there are sufficient taxable profits from the relevant business stream to utilise them.

6 Debtors

	2014 £'000	2013 £'000
Trade debtors	4	2
Amounts owed by group undertakings	1,122	888
	<u>1,126</u>	<u>890</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

7 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	6	6
Amounts owed to group undertakings	-	7
Taxation and social security	50	17
Accruals and deferred income	334	316
	<u>390</u>	<u>346</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

8 Called up share capital

	2014 £'000	2013 £'000
Authorised		
51,000,000 (2013: 51,000,000) Ordinary shares of 10p each	<u>5,100</u>	<u>5,100</u>
Allotted and fully paid		
51,000,000 (2013: 51,000,000) Ordinary shares of 10p each	<u>5,100</u>	<u>5,100</u>

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

9 Profit and loss account

	2014 £'000	2013 £'000
Balance at 1 January	(4,513)	(4,803)
Profit for the financial year	204	290
	<u> </u>	<u> </u>
Balance at 31 December	<u>(4,309)</u>	<u>(4,513)</u>

10 Reconciliation of movements in shareholders' funds/(deficit)

	2014 £'000	2013 £'000
Profit for the financial year	204	290
Opening shareholders' funds	587	297
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>791</u>	<u>587</u>

11 Directors' emoluments

The directors of Microgen Asset Management Solutions Limited are also directors of Microgen Management Services Limited. As such their remuneration is disclosed in the Microgen Management Services Limited financial statements. The emoluments are included within other central costs and are recharged to each other company on an apportionment basis, with revenues, headcount and other relevant factors considered.

12 Employees

Number of employees

The average monthly number of employees, split by function, (including directors) during the year was:

	2014 Number	2013 Number
Development and implementation	-	1
Management, finance and administration	2	2
	<u> </u>	<u> </u>
	<u>2</u>	<u>3</u>

MICROGEN ASSET MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

12 Employees (continued)

Employment costs

	2014 £'000	2013 £'000
Wages and salaries	-	78
Social security costs	-	9
Other pension costs	-	4
	<hr/>	<hr/>
	-	91
	<hr/>	<hr/>

Microgen Group operates a policy whereby all UK employees are employed by one company and the costs are recharged to the appropriate company within the group according to where the employee is deployed. The above numbers represent those employees working in the business of Microgen Asset Management Solutions Limited along with the directors.

The emoluments of the Directors are borne by Microgen Management Services Limited, a fellow subsidiary of Microgen Plc, of whom the Directors are employees. The Directors are remunerated by Microgen Management Services Limited for their services to the Microgen plc Group as a whole and receive no remuneration for their services as Directors to Microgen Asset Management Solutions Limited, and no costs are recharged to the Company in respect of their services.

From January 2014, there ceased to be any employees working in the business of Microgen Asset Management Solutions Limited.

Pensions

There were no charges for 2014, representing contributions payable by the Company (2013: £4,000). There were no amounts outstanding at the year-end (2013: £nil).

13 Immediate and ultimate parent undertaking

The immediate parent undertaking is Microgen Financial Systems Limited.

The ultimate parent undertaking and controlling party is Microgen plc, a company incorporated in England.

Microgen plc is also the parent undertaking of the largest group of undertakings to consolidate these financial statements. The consolidated financial statements of Microgen plc are available from Old Change House, 128 Queen Victoria Street, London, EC4V 4BJ.

Microgen Financial Systems Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Microgen Financial Systems Limited are available from Old Change House, 128 Queen Victoria Street, London, EC4V 4BJ.

14 Related party transactions

The Company is a wholly-owned subsidiary of Microgen plc, whose consolidated financial statements are publicly available and as such, advantage has been taken of the exemption in Financial Reporting Standard 8, Related Party Disclosures, not to disclose transactions and balances with other wholly-owned subsidiaries of the same ultimate parent undertaking.