

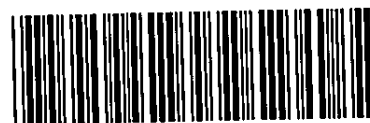
Company Registration Number 03794908

FRONTRANGE SOLUTIONS UK LIMITED

Report and Financial Statements

30 April 2013

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FRONTRANGE SOLUTIONS UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9

FRONTRANGE SOLUTIONS UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Temple
A R Wolff
T J Toppin

SECRETARY

A R Wolff

REGISTERED OFFICE

Benyon House
Newbury Business Park
London Road
Newbury
Berkshire
RG14 2PZ

BANKERS

HSBC Bank plc
1 Marlborough Road
Old Town
Swindon
Wiltshire
SN3 1QN

SOLICITORS

Boyes Turner LLP
Abbots House
Abbey Street
Reading
RG1 3BD

AUDITOR

Deloitte LLP
Bristol

FRONTRANGE SOLUTIONS UK LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2013

PRINCIPAL ACTIVITIES

The principal activities of the company are the sale, installation, maintenance and support of computer software and related services

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results for the year are disclosed on page 6

The company continues to maintain a healthy cash position and at the year-end had cash funds of £711,000 (2012 £1,585,000)

The directors anticipate revenues in the year to 30 April 2014 to be under continued pressure from the ongoing, challenging economic climate. In spite of that, the directors anticipate that the company will be profitable in 2014 and the company plans to continue to satisfy its customers, attract and retain valued employees

GOING CONCERN

Due to the current economic conditions there are inherent future uncertainties that may impact the business. As a result of this the directors have made enquiries and have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts

PRINCIPAL RISKS AND UNCERTAINTIES

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk

Credit risk

The company's principal financial assets are bank balances, cash, trade, inter-company and other receivables. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers

Liquidity and cash flow risk

In order to maintain liquidity and cash flow and to ensure that sufficient funds are available for ongoing operations and future developments, the company shall continue to benefit from customers paying support and maintenance services in advance. The company also expects to generate cash from trading activities in the coming year and, where required, the company may utilise parent or related company loans

FRONTRANGE SOLUTIONS UK LIMITED

DIRECTORS' REPORT (continued)

RESULTS AND DIVIDENDS

The results for the year and the financial position of the company are as shown in the attached financial statements.

No interim dividend (2012 £nil) was paid during the year and the directors do not recommend the payment of a final dividend (2012 £nil)

DIRECTORS

The directors who served during the year are as detailed on page 1

AUDITOR

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the 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 auditor is aware of that information

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

The auditor, Deloitte LLP, has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for Deloitte LLP to be deemed reappointed as auditor in the absence of an Annual General Meeting

Approved by the Board and signed on its behalf by



Timothy Toppin
Director

FRONTRANGE SOLUTIONS UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 judgements and accounting estimates that are reasonable and prudent, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FRONTRANGE SOLUTIONS UK LIMITED

We have audited the financial statements of FrontRange Solutions UK Limited for the year ended 30 April 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 21. 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 member 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 member those matters we are required to state to it 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 member, 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, 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 annual report to identify material inconsistencies with the audited financial statements. 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 30 April 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 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.



Sonya Butters (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

5 December 2013

FRONTRANGE SOLUTIONS UK LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 April 2013

	Note	2013 £'000	2012 £'000
TURNOVER	2	7,094	7,136
Cost of sales		(2,355)	(2,327)
GROSS PROFIT		4,739	4,809
Administrative expenses		(4,160)	(4,997)
OPERATING PROFIT/(LOSS)		579	(188)
Other interest receivable and similar income	4	34	2
Interest payable and similar charges	5	-	(1)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	6	613	(187)
Tax (charge)/credit on profit/(loss) on ordinary activities	7	(153)	35
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	13	460	(152)

The company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented

All results arose from the continuing operations of the company

FRONTRANGE SOLUTIONS UK LIMITED

BALANCE SHEET
At 30 April 2013

	Note	2013		2012	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8		156		208
CURRENT ASSETS					
Debtors	9	4,395		3,879	
Cash at bank and in hand		711		1,585	
		<u>5,106</u>		<u>5,464</u>	
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(3,987)</u>		<u>(4,770)</u>	
NET CURRENT ASSETS			1,119		694
PROVISIONS FOR LIABILITIES	11		<u>(493)</u>		<u>(584)</u>
NET ASSETS			<u>782</u>		<u>316</u>
CAPITAL AND RESERVES					
Called up share capital	12		-		-
Profit and loss account	13		782		316
SHAREHOLDER'S FUNDS	13		<u>782</u>		<u>316</u>

The financial statements of FrontRange Solutions UK Limited, registered number 03794908, were approved by the Board of Directors and authorised for issue on 1 November 2013

Signed on behalf of the Board of Directors


Timothy Toppin
Director

FRONTRANGE SOLUTIONS UK LIMITED

CASH FLOW STATEMENT

Year ended 30 April 2013

	Note	2013		2012	
		£'000	£'000	£'000	£'000
Net cash (outflow)/inflow from operating activities	14		(869)		636
Returns on investments and servicing of finance					
Interest received		34		2	
Interest paid		-		(1)	
		<u>34</u>		<u>2</u>	
Net cash inflow from returns on investments and servicing of finance			34		1
Taxation					
UK corporation tax paid			(10)		(413)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets			(29)		(97)
Receipts from disposal of tangible fixed assets			-		35
			<u>(29)</u>		<u>35</u>
(Decrease)/increase in cash in year	15		<u>(874)</u>		<u>162</u>

FRONTRANGE SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. The policies have all been applied consistently throughout the year and the preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

Due to the current economic conditions there are inherent future uncertainties that may impact the business. As a result of this the directors have made enquiries and have a reasonable expectation that the company has adequate resources and a lack of reliance on external borrowing to continue in existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the accounts.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of VAT and other sales-related taxes. Turnover is recognised on provision of goods and services in the following ways:

- Licence revenue – recognised on despatch of goods,
- Maintenance revenue – recognised over the maintenance contract period,
- Training days – recognised as the work is completed, and
- Consultancy – recognised on performance of service.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

Pensions

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company.

Pension costs are charged to the profit and loss account on the basis of the amount of contribution payable to the pension scheme in respect of the accounting period.

Share-based payments

The company participates in the FrontRange Holding Inc employee share option scheme. For all grants of share options, the fair value as at date of grant is calculated using the Black-Scholes model and the corresponding expense is recognised on a straight-line basis over the vesting period based on the company's estimate of shares that will actually vest.

FRONTRANGE SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 30 April 2013**

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets. The useful economic lives for this purpose are

Office furniture	33% per annum
Office equipment	33% per annum
Computer equipment	33% per annum
Computer software	33% per annum
Leasehold improvements	17% per annum

Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currency

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are included in the profit and loss account.

FRONTRANGE SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

2. TURNOVER

All turnover relates to the single class of business, the sale of computing software and associated services. The geographic analysis of turnover by destination is as follows:

	2013 £'000	2012 £'000
United Kingdom	5,807	5,808
Rest of the world	1,287	1,328
	<u>7,094</u>	<u>7,136</u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments

During the year J Temple, A R Wolff and T J Toppin were paid by FrontRange Solutions Inc. It is not practicable to allocate their emoluments between their services to that company and FrontRange Solutions UK Limited.

	2013 £'000	2012 £'000
Employee costs during the year.		
Wages and salaries	2,634	2,571
Social security costs	316	313
Share based payment costs	6	15
Pension costs	83	99
	<u>3,039</u>	<u>2,998</u>

Average number of persons employed:	No.	No.
Sales and marketing	16	15
Support staff	13	21
Administration	14	12
	<u>43</u>	<u>48</u>

FRONTRANGE SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	2013	2012
	£'000	£'000
Bank interest receivable	4	2
Intercompany interest receivable	30	-
	<u>34</u>	<u>2</u>
5. INTEREST PAYABLE AND SIMILAR CHARGES	2013	2012
	£'000	£'000
Interest payable	<u>-</u>	<u>1</u>
6. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2013	2012
	£'000	£'000
Profit/(loss) on ordinary activities before taxation is after charging/(crediting)		
Rentals under operating leases		
- plant and machinery	24	45
- other	467	460
Depreciation and other amounts written off tangible fixed assets – owned assets	79	86
Loss on disposal of tangible assets	-	4
Auditor's remuneration		
- audit fees	37	44
- tax services	8	8
Foreign exchange loss/(gain)	<u>81</u>	<u>(1)</u>

FRONTRANGE SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2013

7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2013 £'000	2012 £'000
The taxation charge/(credit) is made up as follows		
Current tax		
United Kingdom corporation tax	146	(49)
Deferred tax		
Origination and reversal of timing differences	4	8
Adjustment in respect of previous periods	-	1
Effect of changes in tax rates	3	5
Total deferred tax	7	14
Tax on profit/(loss) on ordinary activities	153	(35)

Factors affecting tax charge for the current year

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 23.92% (2012 25.84%). The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK

	£'000	£'000
The differences are explained below		
Profit/(loss) on ordinary activities before tax	613	(187)
	£'000	£'000
Tax at 23.92% (2012 25.84%) thereon	147	(48)
Effects of		
Expenses not deductible for tax purposes	4	7
Differences between capital allowances and depreciation	1	(14)
Movement in short-term timing differences	(6)	6
Current tax charge/(credit) for year	146	(49)

In March 2013, the UK government announced a reduction in the standard rate of UK corporation tax to 23% effective 1 April 2013 and to 21% effective 1 April 2014. The UK government also proposed to further reduce the standard rate to 20% effective 1 April 2015, but this change has not been substantively enacted.

The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

FRONTRANGE SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2013

8. TANGIBLE FIXED ASSETS

	Office furniture £'000	Office equipment £'000	Computer equipment £'000	Computer software £'000	Leasehold improve- ments £'000	Total £'000
Cost						
At 1 May 2012	125	38	161	15	209	548
Additions	-	-	29	-	-	29
Disposals	-	-	(21)	-	-	(21)
At 30 April 2013	125	38	169	15	209	556
Accumulated depreciation						
At 1 May 2012	123	37	97	11	74	342
Charge for the year	1	1	37	4	36	79
Disposals	-	-	(21)	-	-	(21)
At 30 April 2013	124	38	113	15	110	400
Net book value						
At 30 April 2013	1	-	56	-	99	156
At 30 April 2012	2	1	64	4	135	206

9. DEBTORS

	2013 £'000	2012 £'000
Trade debtors	1,234	1,470
Amounts owed by group undertakings	2,867	1,968
Prepayments and accrued income	236	286
Deferred tax asset	58	65
Corporation tax repayable	-	90
	<u>4,395</u>	<u>3,879</u>

The amounts of deferred taxation provided in the accounts are

	£'000	£'000
Accelerated capital allowances	19	18
Other timing differences	39	47
	<u>58</u>	<u>65</u>

FRONTRANGE SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2013

10. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	2013 £'000	2012 £'000
Trade creditors	217	260
Amounts owed to group undertakings	11	6
Other creditors	372	481
Accruals and deferred income	3,341	4,023
Corporation tax payable	46	-
	<u>3,987</u>	<u>4,770</u>

No structured repayment plan is in place for the repayment of inter-company balances

11. PROVISION FOR LIABILITIES	Dilapidations £'000	Onerous lease £'000	Total £'000
At 1 May 2012	124	460	584
Charged to profit and loss account	-	(91)	(91)
At 30 April 2013	<u>124</u>	<u>369</u>	<u>493</u>

The onerous lease provision relates to future costs in respect of 25% of the company's leased premises which are currently not utilised

12. SHARE CAPITAL	2013 £	2012 £
Allotted and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

13. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES	Share capital £'000	Profit and loss account £'000	2013 Total £'000	2012 Total £'000
Opening shareholder's funds	-	316	316	453
Profit/(loss) attributable to member of the company	-	460	460	(152)
Credit in relation to share-based payments	-	6	6	15
Closing shareholder's funds	<u>-</u>	<u>782</u>	<u>782</u>	<u>316</u>

FRONTRANGE SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

14. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2013 £'000	2012 £'000
Operating profit/(loss)	579	(188)
Share-based payment	6	15
Loss on disposal	-	4
Depreciation	79	86
Increase in debtors	(613)	(1,127)
(Decrease)/increase in creditors	(829)	1,262
(Decrease)/increase in provisions	(91)	584
Net cash (outflow)/inflow from operating activities	(869)	636

Net cash (outflow)/inflow from operating activities is derived from continuing activities

15 ANALYSIS OF THE CHANGES IN NET FUNDS

	At 1 May 2012 £'000	Cash flows £'000	At 30 April 2013 £'000
Cash at bank and in hand	1,585	(874)	711

16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2013 £'000	2012 £'000
(Decrease)/increase in cash in the period	(874)	162
Movement in net funds in the period	(874)	162
Net funds at beginning of period	1,585	1,423
Net funds at end of period	711	1,585

17. SHARE-BASED PAYMENTS

The company participates in the FrontRange Holding Inc share option scheme, the 'FrontRange Holding Inc 2006 Incentive Plan'. Under the plan, the company granted options to its employees to purchase shares of the company's common stock.

Options are forfeited if the employee leaves the company before the options vest.

The company recognised the following expenses related to share-based payment transactions:

	2013 £'000	2012 £'000
Share option expense	6	15

FRONTRANGE SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

18. OPERATING LEASE COMMITMENTS

The company is committed to making the following payments during the next year in respect of operating leases

	2013		2012	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire				
- within one year	-	24	-	41
- within two to five years	467	14	460	4
	<u>467</u>	<u>38</u>	<u>460</u>	<u>45</u>

19. RELATED PARTY TRANSACTIONS

The company is a wholly-owned subsidiary of FrontRange Holding Inc and has taken advantage of the exemption under the terms of Financial Reporting Standard 8 from full disclosure of related party transactions with entities that are also wholly-owned by the FrontRange group, of which FrontRange Holding Inc is a member

However, the company has decided to disclose some of its related party transactions in order to provide a better understanding of the financial statements

During the year the company incurred royalty expenditure amounting to £1,678,000 (2012 £1,704,000) to FrontRange Holding Inc, £97,000 (2012 £66,000) to FrontRange Solutions Software GmbH, and £519,000 (2012 £373,000) to Centennial Software Limited

20. PENSIONS

The group operates a defined contribution scheme, with the assets of this scheme being held separately from those of the company in an independently administered fund. The pensions cost charge represents contributions payable by the company to the fund and amounted to £83,000 (2012 £99,000). At the balance sheet date there were accrued contributions of (£1,000) (2012 (£24,000)).

21. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's immediate parent company is FrontRange Solutions Inc, which is incorporated in the United States of America. The results of FrontRange Solutions UK Limited are consolidated into the accounts of FrontRange Holding Inc, which is the largest and smallest group of undertakings for which group financial statements are drawn up of which this company is a member.

The address for FrontRange Solutions Inc is

490 N McCarthy Blvd
Milpitas, CA 95035
United States of America

The ultimate controlling party is Francisco Partners Management LLC, a private equity fund, which is incorporated in the United States of America