

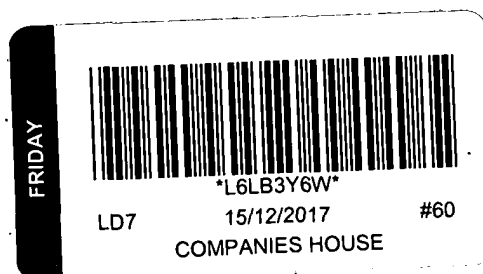
**Hansen Billing Solutions Limited
(Formerly DST Billing Solutions
Limited)**

Report and Financial Statements

Year Ended

31 December 2016

Company Number 04370287



Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Company Information

Directors	A A Hansen S J A Weir
Company secretary	J Chand
Registered number	04370287
Registered office	3rd Floor Harlequin House 7 High Street Teddington TW11 8EE
Independent Auditors	PricewaterhouseCoopers LLP The Atrium 1 Harefield Road Uxbridge Middlesex UB8 1EX

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Contents

	Page
Strategic Report	1
Directors' Report	2 - 4
Independent Auditors' Report	5 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 23

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Strategic Report For the Year Ended 31 December 2016

The directors present the strategic report on the company for the year ended 31 December 2016.

Business review

The company acts as a provider of billing software, computer consultancy and related services to the utility industry.

The results for the company show a profit on ordinary activities before taxation of £620,000 (2015 - £841,000 profit) and turnover of £3.8 million (2015 - £4.4 million).

On 1 November 2016 the company was acquired by the Hansen Technologies Group.

Key performance indicators

Hansen Billing Solutions Limited (formerly DST Billing Solutions Limited) is managed by the directors in accordance with the strategies of Hansen Technologies Limited which is the ultimate parent undertaking of the group. For this reason, the directors believe that further key performance indicators for the company are not necessary or appropriate to understand the development, performance or position of the business. These strategies and key performance indicators are discussed in the Hansen Technologies Limited group strategic report which does not form part of this report.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to the fact that the company operates within a highly competitive market place. The members of the group have reviewed the group's exposure to credit risk, liquidity risk and cash flow risk. These risks and uncertainties are discussed in the Hansen Technologies Limited group strategic report which does not form part of this report.

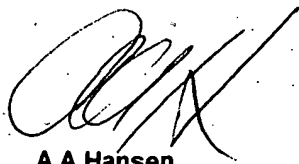
Environmental matters

No environmental matters are applicable to this entity.

Impact of the UK deciding to leave the European Union

The directors have considered the impact of the UK deciding to leave the European Union on 23 June 2016 and do not believe it will have a significant impact on the entity subsequent to the year end.

This report was approved by the board on *14 December 2017* and signed on its behalf.



A A Hansen
Director

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Directors' Report For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

On 2 November 2016 the company changed its name from DST Billing Solutions Limited to Hansen Billing Solutions Limited.

Dividends

The profit for the year, after taxation, amounted to £535,000 (2015 - £697,000).

The profit for the year will be transferred to retained reserves. A dividend of £6,595,000 was paid for the year (2015 - £Nil).

Directors

The directors who served during the year were:

S N Hudson-Lund (resigned 1 November 2016)

R W Evans (resigned 1 November 2016)

A A Hansen (appointed 1 November 2016)

S J A Weir (appointed 1 November 2016)

Political and charitable contributions

The company made no political or charitable contributions in the year ended 31 December 2016 (2015 - £Nil).

Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters that affect them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to other employees.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of liquidity risk, price risk, credit risk, market risk and foreign exchange risk. The company monitors and manages these risks to avoid adverse effects on the financial performance of the company.

Liquidity risk

The group's cash is held by Hansen Corporation Europe Limited. The company actively monitors its liquidity and has banking facilities in place to ensure the group has sufficient available funds for operations and planned expansions. The group is cash generative and there is not considered to be a significant risk.

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Directors' Report (continued) For the Year Ended 31 December 2016

Financial risk management (continued)

Price risk

The company's software development and services activities are exposed to the price of the skilled labour that is necessary to operate these activities. This is not a risk that can easily be managed. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature, the policy being to ensure a reasonable margin is charged on cost in line with commercially acceptable norms. The directors regularly review financial reports and management information to review price risk and any indication of a decrease in the margin is investigated and appropriate action is taken as is deemed commercially acceptable.

Credit risk

The company has policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure from any individual counter part is subject to a contractually agreed amount. The contract determines collectability and provides a legal framework should disputes arise over amounts billed. Financial reports and management information regarding credit risk are regularly reviewed and appropriate action is taken to mitigate this risk as is deemed commercially acceptable.

Market risk

The company does business with a wide range of economic sectors and is exposed to market conditions in these sectors. This is not a risk that can be managed easily, but over time the continuing research and development activity of the company will enable it to have a more diversified product offering and client base.

Foreign exchange risk

The company's external turnover is mostly in sterling. The company does have some turnover and costs that are denominated in non sterling foreign currencies. The risk is not considered to be great enough to require active management. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Future developments

Following the acquisition by Hansen Technologies Limited, a company in Australia, the company will continue to service existing customer contracts and look for future opportunities and prospects where possible.

Going concern

The directors have reviewed the net current liabilities position of the company. They have considered the forecast for the forthcoming 12 months from the signing of these accounts and based on the existing cash and projected income and expenditure they are satisfied the company has adequate resources to continue operating for the foreseeable future. Accordingly, the going concern basis has been used in preparing the accounts.

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Directors' Report (continued) For the Year Ended 31 December 2016

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". 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;
- state whether applicable UK Accounting Standards, including FRS 102 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware;
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information; and
- in preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14 December 2017 and signed on its behalf.



A A Hansen
Director

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Independent auditors' report to the members of Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Report on the financial statements

Our opinion

In our opinion, Hansen Billing Solutions Limited (Formerly DST Billing 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 2016 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

The financial statements, included within the Report and Financial statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity 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 United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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.

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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.

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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) ("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

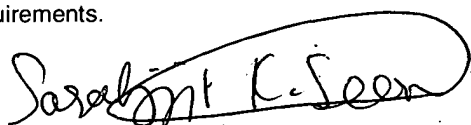
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Sarabjit Seera (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

14 December 2017

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Statement of Comprehensive Income For the Year Ended 31 December 2016

	Note	2016 £000	2015 £000
Turnover	4	3,774	4,396
Cost of sales		(2,686)	(2,807)
Gross profit		1,088	1,589
Administrative expenses		(468)	(748)
Profit on ordinary activities before taxation	5	620	841
Tax on profit on ordinary activities	8	(85)	(144)
Total comprehensive income for the year		535	697

All amounts relate to continuing operations.

There was no other comprehensive income in 2016 or 2015.

The notes on pages 10 to 23 form part of these financial statements.

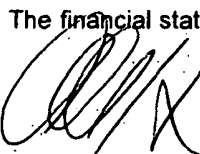
Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Registered number: 04370287

Statement of Financial Position As at 31 December 2016

	Note	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Intangible assets	10		1,305	-	-
Tangible assets	11		25	-	-
			<u>1,330</u>		<u>-</u>
Current assets					
Debtors: amounts falling due within one year	12	595		8,936	
		<u>595</u>		<u>8,936</u>	
Creditors: amounts falling due within one year	13	(1,394)		(2,362)	
		<u>(1,394)</u>		<u>(2,362)</u>	
Net current (liabilities)/assets			<u>(799)</u>		<u>6,574</u>
Net assets			<u>531</u>		<u>6,574</u>
Capital and reserves					
Called up share capital	15		-		-
Other reserves			177		160
Profit and loss account			354		6,414
Total equity			<u>531</u>		<u>6,574</u>

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



A A Hansen
Director

Date: 14 December 2017

The notes on pages 10 to 23 form part of these financial statements.

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Statement of Changes in Equity For the Year Ended 31 December 2016

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2016	-	160	6,414	6,574
Comprehensive income for the year				
Profit for the year	-	-	535	535
Total comprehensive income for the year	-	-	535	535
Dividends paid (see note 9)	-	-	(6,595)	(6,595)
Adjustments in respect of stock incentive plan	-	17	-	17
At 31 December 2016	-	177	354	531

Statement of Changes in Equity For the Year Ended 31 December 2015

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2015	-	122	5,717	5,839
Comprehensive income for the year				
Profit for the year	-	-	697	697
Total comprehensive income for the year	-	-	697	697
Adjustments in respect of stock incentive plan	-	38	-	38
At 31 December 2015	-	160	6,414	6,574

The notes on pages 10 to 23 form part of these financial statements.

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

1. General information

Hansen Billing Solutions Limited (formerly DST Billing Solutions Limited) is a company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 directors have reviewed the net current liabilities position of the company. They have considered the forecast for the forthcoming 12 months from the signing of these accounts and based on the existing cash and projected income and expenditure they are satisfied the company has adequate resources to continue operating for the foreseeable future. Accordingly, the going concern basis has been used in preparing the accounts.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hansen Technologies Limited as at 30 June 2016 and 30 June 2017 and these financial statements may be obtained from 2 Frederick Street, Doncaster, Victoria, Australia.

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Licences

Perpetual licence turnover arising from agreements involving insignificant development work not essential to the core functionality of the system delivered is recognised when the software is delivered, provided collectability is probable. Where development work is significant and essential to the functionality of the software being delivered, licence and development turnover arising there from is recognised using the percentage of completion method of accounting.

Term licence turnover arising from agreements involving insignificant development work not essential to the core functionality of the system delivered is recognised evenly over the term of the licence from the point when the software is delivered, provided collectability is probable.

Services

If development and consulting services are provided on a time and materials basis the turnover arising there from is recognised as the services are provided. If such services are provided under a fixed price term contract then turnover is recognised on a percentage of completion basis. Certain products are provided under Application Service Provider (ASP) contracts and turnover is recognised as the service is provided.

Maintenance

Turnover arising from software maintenance agreements is recognised rateable over the relevant period of the maintenance contract.

Deferred income on contracts

Deferred income represents support fees billed in advance for periods of up to 12 months, licence fees billed which do not fulfil the revenue recognition criteria, other fees invoiced in advance for which services will be rendered within the next 12 months, and the amount by which progress payments and any provisions for foreseeable losses on contracts exceeds revenue recognised.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.5 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

Computer equipment & software- 3 years

The asset's 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.

2.6 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.

2.7 Creditors

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

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.8 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 income statement 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 income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'other operating income'.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.10 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.

2.11 System development

Computer programming and development expenditure is written off in the year in which it is incurred.

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

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 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.14 Reserves

The company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- The other reserves contains movement in equity settled share based payments.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

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

In preparing these financial statements the directors made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include economic viability and expected future financial performance of the asset and where it is a component of larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Impairment of trade receivables

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

4. Analysis of turnover

Turnover represents licence, consulting, development and maintenance fees from the company's software business net of all local sales taxes.

Analysis by geographic region

Turnover by geographic region, based on the origin of the company's clients and the location of their ultimate authorising management comprise as follows:

	2016 £000	2015 £000
United Kingdom	2,510	2,671
Rest of Europe	278	294
North America	117	651
Rest of World	869	780
	<u>3,774</u>	<u>4,396</u>

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

Analysis of turnover (continued)

Analysis by class of business

	2016 £000	2015 £000
Licences	354	796
Services (consulting and development)	1,387	1,681
Maintenance	1,108	1,283
Other	925	636
	<u>3,774</u>	<u>4,396</u>

5. Operating profit

The operating profit is stated after charging:

	2016 £000	2015 £000
Amortisation of intangible assets, including goodwill	45	-
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	20	16
Defined contribution pension cost	157	184
	<u>222</u>	<u>200</u>

6. Employees

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	1,630	1,771
Social security costs	218	212
Other pension costs	157	184
Share-based payments	17	38
	<u>2,022</u>	<u>2,205</u>

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

Employees (continued)

The average monthly number of employees, including the directors, during the year was as follows:

	2016 £000	2015 £000
Analysts/programmers	26	27
Administration	3	3
	<u>29</u>	<u>30</u>

7. Directors' remuneration

The directors did not receive any emoluments for their services as directors of the company during the year (2015 - £Nil). The directors were remunerated by other group companies and no recharges were made. It is not possible to determine the proportion of the directors' work that was performed for the company.

8. Tax

	2016 £000	2015 £000
Corporation tax		
Current tax on profits for the year	44	165
Adjustments in respect of previous periods	4	(21)
	<u>48</u>	<u>144</u>
Foreign tax		
Foreign tax on income for the year	-	19
	<u>48</u>	<u>163</u>
Total current tax	48	163
Deferred tax		
Origination and reversal of timing differences	39	3
Prior year adjustment	-	(27)
Effect of change of tax rate	(2)	5
	<u>37</u>	<u>(19)</u>
Total deferred tax	37	(19)
	<u>85</u>	<u>144</u>
Taxation on profit on ordinary activities	85	144

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

8. Tax (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	620	841
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	124	170
Effects of:		
Non deductible expenses	17	-
Adjustments to tax charge in respect of prior periods	4	(48)
Overseas taxes expensed against profits	-	(4)
Overseas tax in income in the year	-	19
Change in tax rates	(3)	10
Relief for share based payments	32	(3)
Group relief	(89)	-
Total tax charge for the year	85	144

Factors that may affect future tax charges

Finance Act 2015 included legislation reducing the main UK corporation tax rate from 20% to 19%, effective from 1 April 2017. A further reduction to 18% was also enacted with an effective from date of 1 April 2020. The deferred tax balances have been re-measured at these rates as appropriate as they are the latest substantially enacted tax rates.

The Chancellor has announced that the main UK corporation tax rate will now be reduced to 17% with an effective from date of 1 April 2020. However, as this 17% rate has not yet been substantially enacted it has not been applied to any figures in these accounts.

9. Dividends

	2016 £000	2015 £000
Dividends paid	6,595	-

The dividends paid relate to £6,595 per share (2015 £nil per share).

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

10. Intangible assets

	Customer contracts £000
Cost	
Additions	1,350
At 31 December 2016	<u>1,350</u>
Amortisation	
Charge for the year	45
At 31 December 2016	<u>45</u>
Net book value	
At 31 December 2016	<u><u>1,305</u></u>
At 31 December 2015	<u><u>-</u></u>

The company purchased the right to two Australian customers soon after the company was purchased by Hansen Technologies Limited. The value included in intangible assets represents the combined net asset position of this purchase. The present value of the customer contracts was calculated using expected future cash flows adjusted for tax and a discount rate of 10%. The customer contracts are being amortised over five years and as at 31 December 2016 no impairment indicators were noted.

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

11. Tangible fixed assets

	Software purchased £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 January 2016	17	82	99
Additions	-	25	25
Disposals	(17)	(82)	(99)
At 31 December 2016	-	25	25
At 1 January 2016	17	82	99
Disposals	(17)	(82)	(99)
At 31 December 2016	-	-	-
Net book value			
At 31 December 2016	-	25	25
At 31 December 2015	-	-	-

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

12. Debtors

	2016 £000	2015 £000
Trade debtors	538	377
Amounts owed by group undertakings	-	8,480
Other debtors	26	14
Prepayments and accrued income	10	7
Deferred taxation (see note 14)	21	58
	<u>595</u>	<u>8,936</u>

Intercompany balances are unsecured, interest free and repayable on demand. The material intercompany debtors of £7,886,000 in 2015 was DST Process Solutions Limited.

13. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	59	22
Amounts owed to group undertakings	22	1,229
Corporation tax	45	-
Other taxation and social security	38	116
Other creditors	-	31
Accruals and deferred income	1,230	964
	<u>1,394</u>	<u>2,362</u>

All intercompany balances are unsecured, interest free and repayable on demand. The material intercompany creditors of £450,000 in 2015 was DSTI Holdings Limited.

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

14. Deferred taxation

	2016 £000
At 1 January 2016	58
Charged to profit or loss	(37)
At 31 December 2016	21

The deferred tax balance brought forward at 1 January 2016 is £58,000 (2015 - £39,000), the charge to the profit or loss is £37,000 (2015 - £19,000) and the balance carried forward at 31 December 2016 is £21,000 (2015 - £58,000).

The deferred tax asset is made up as follows:

	2016 £000	2015 £000
Accelerated capital allowances	19	26
Short term timing differences	2	32
	21	58

15. Share capital

	2016 £	2015 £
Authorised		
1,000 (2015 - 1,000) authorised shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1 (2015 - 1) authorised share of £1	1	1

16. Pension commitments

The company operates a defined contribution pension scheme for its staff. The pension cost charge for the year was £157,000 (2015 - £184,000). At the end of the year £16,000 (2015 - £15,000) was owed to the defined contribution pension scheme providers.

Hansen Billing Solutions Limited (Formerly DST Billing Solutions Limited)

Notes to the Financial Statements For the Year Ended 31 December 2016

17. Commitments under operating leases

The company had no commitments under the non-cancellable operating leases as at the reporting date.

18. Related party transactions

The company has taken the exemption available in section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

19. Controlling party

The immediate parent undertaking is Hansen Holdings Europe Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and controlling party is Hansen Technologies Limited, a company incorporated in Australia. The consolidated financial statements of Hansen Technologies Limited are available from 2 Frederick Street, Doncaster, Victoria, Australia.

20. Subsequent events

On 24 August 2017, a group charge was created including this entity in relation to a \$105 million AUD banking facility in favour of Australia and New Zealand Banking Group Limited.