

Hansen Billing Solutions Limited

Report and Financial Statements

For the 18-month period ended 30 June 2018



HANSEN BILLING SOLUTIONS LIMITED
COMPANY INFORMATION

Directors	A A Hansen
	S J A Weir
	J W May (appointed 19 December 2018)
Secretary	J Chand
Company number	4370287
Registered office	3 rd Floor, Harlequin house 7 High Street Teddington Middlesex United Kingdom TW11 8EE
Auditor	RSM UK Audit LLP Chartered Accountants One London Square Cross Lanes Guildford Surrey GU1 1UN

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**HANSEN BILLING SOLUTIONS LIMITED
DIRECTORS' REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018**

The directors present their report and the financial statements for the 18-month period ended 30 June 2018.

Principal activities

The company's principal activity continues to be that of a provider of billing software, computer consultancy and related services to the utilities industry.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:-

- A A Hansen
- S J A Weir
- J W May (appointed 19 December 2018)

Results and dividends

The profit for the 18-month period ended 30 June 2018, after taxation, amounted to £2,093,010 (12-month period ended 31 December 2016: £535,000).

The profit for the 18-month period will be transferred to retained reserves. No dividends were paid during the 18-month period ended 30 Jun 2018 (12-month period ended 31 December 2016: £6,595,000).

Future developments.

The company will continue to pursue its operating strategy of providing billing and related data management solutions to our targeted industries and servicing existing customer contracts whilst identifying future opportunities and prospects where possible.

Going concern

The directors continue to use the going concern basis in preparing the accounts.

Directors' liabilities

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been a director of the company.

Auditor

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at the Annual General Meeting.

**HANSEN BILLING SOLUTIONS LIMITED
DIRECTORS' REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018**

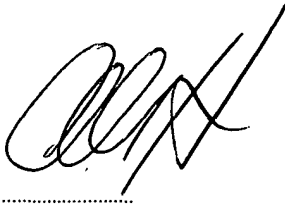
Statement of disclosure to the auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Signed in accordance with a resolution of the board of directors.

On behalf of the board.



.....
A A Hansen
Director

22/2/2019
.....

**HANSEN BILLING SOLUTIONS LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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.

**HANSEN BILLING SOLUTIONS LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HANSEN BILLING SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Hansen Billing Solutions Limited (the 'company') for the 18-month period ended 30 June 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the 18-month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

**HANSEN BILLING SOLUTIONS LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018**

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 directors' report for the 18-month period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirements to prepare a strategic report, or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

HANSEN BILLING SOLUTIONS LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Colin Roberts FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
One London Square
Cross Lanes
Guildford
Surrey, GU1 1UN

1 March 2019

HANSEN BILLING SOLUTIONS LIMITED
FINANCIAL REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018

STATEMENT OF COMPREHENSIVE INCOME
For the 18-month period ended 30 June 2018

		18-month period ended	12-month period ended
	Note	30 June 2018 £000	31 Dec 2016 £000
Turnover	2	7,098	3,774
Cost of sales		(234)	(2,686)
Gross profit		6,864	1,088
Administrative expenses	3, 4	(4,175)	(468)
Profit before taxation		2,689	620
Taxation	6	(596)	(85)
Profit after taxation and profit for the financial period		2,093	535
Other comprehensive income		-	-
Total comprehensive income		2,093	535

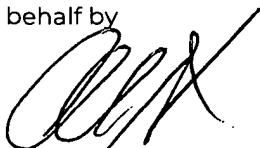
The accompanying notes on pages 10 to 19 form part of these financial statements.

HANSEN BILLING SOLUTIONS LIMITED
FINANCIAL REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018

STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Notes	30-Jun-18		31-Dec-16	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	8		230		1,305
Tangible assets	9		15		25
Current assets					
Debtors:	10				
amounts falling due within one year		2,093		574	
amounts falling due after one year		17		21	
		2,110		595	
Cash at bank and in hand		557		-	
		2,667		595	
Creditors: amounts falling due within one year	11	(958)		(1,394)	
Net current assets/(liabilities)			1,709		(799)
Total assets less current liabilities			2,624		531
Capital and reserves					
Capital redemption reserves	13		177		177
Profit and loss account			2,447		354
Total equity			2,624		531

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



A A Hansen
Director

Date: 22/2/2019

The accompanying notes on pages 10 to 19 form part of these financial statements.

HANSEN BILLING SOLUTIONS LIMITED
FINANCIAL REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018

STATEMENT OF CHANGES IN EQUITY
For the 18-month period ended 30 June 2018

	Notes	Capital redemption reserve £000	Profit & loss reserves £000	Total £000
At 1 January 2016		160	6,414	6,574
12-month period ended 31 December 2016				
Profit and total comprehensive income for the period		-	535	535
Dividends paid	7	-	(6,595)	(6,595)
Adjustments in respect of stock incentive plan		17	-	17
At 31 December 2016		177	354	531
At 1 January 2017		177	354	531
18-month period ended 30 June 2018				
Profit and total comprehensive income for the period		-	2,093	2,093
At 30 June 2018		177	2,447	2,624

The accompanying notes on pages 10 to 19 form part of these financial statements.

**HANSEN BILLING SOLUTIONS LIMITED
NOTES TO THE FINANCIAL REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018**

NOTE 1: ACCOUNTING POLICIES

(a) Statement of compliance

Hansen Billing Solutions Limited ("the company") is a private company limited by shares and is registered, domiciled and incorporated in England. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

The financial statements were authorised for issue by the directors as at the date of the directors' report.

These financial statements have been prepared in accordance with Financial Reporting Standard 102, *"The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland"* ("FRS 102") and the requirements of the Companies Act 2006.

The following specific accounting policies below, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report.

(b) Change of reporting period end and comparatives

During the period, the company has changed its financial year ended from 31 December to 30 June to be consistent with the Hansen Technologies group. Therefore, comparative disclosures for the prior period in the company's financial statements will not be directly comparable as the company has elected to report on an 18-month period to 30 June 2018. Going forward, the company will report on a 12-month period financial year ended 30 June.

Following a change of ownership at the end of the prior period, the arrangements regarding the allocation of group management charges is not comparable with the prior year. In the current year, Cost of Sales as disclosed in the Statement of Comprehensive Income consists of recharges from the parents with the remaining costs being presented as Administrative Expenses.

(c) Basis of preparation

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is also the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand £.

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 1(p)).

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

(d) Exemptions for qualifying entities under FRS 102

FRS 102 provides for a qualifying entity to take advantage of certain disclosure exemptions, subject to conditions. The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- 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); and
- 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 2018 and 30 June 2017 and these financial statements may be obtained from 2 Frederick Street, Doncaster, Victoria, Australia.

HANSEN BILLING SOLUTIONS LIMITED
NOTES TO THE FINANCIAL REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018

NOTE 1: ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currency translations 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.

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'.

(f) Turnover

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

Licences

Licence turnover arising from agreements 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 rateably 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.

(g) Taxation

The tax expense for the period 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.

Current tax

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.

HANSEN BILLING SOLUTIONS LIMITED
NOTES TO THE FINANCIAL REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018

NOTE 1: ACCOUNTING POLICIES (CONTINUED)

Deferred tax

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.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities, the entity intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

(h) 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. Customer contracts are being amortised over a period of five years.

(i) Tangible 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: 4 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.

(j) Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

HANSEN BILLING SOLUTIONS LIMITED
NOTES TO THE FINANCIAL REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018

NOTE 1: ACCOUNTING POLICIES (CONTINUED)

(k) 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.

(l) 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.

(m) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(n) 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.

(o) 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.

(p) Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- Determination of whether there are indicators of impairment of the company's intangible assets, including customer contracts. 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.

HANSEN BILLING SOLUTIONS LIMITED
NOTES TO THE FINANCIAL REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018

NOTE 2: TURNOVER

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

The company's primary activity continues to be that of a provider of billing software, computer consultancy and related services to the utilities industry. The company operates within three geographical markets: the United Kingdom, Australia and North America.

(a) 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:

	18-month period ended 30 June 2018 £'000	12-month period ended 31 December 2016 £'000
United Kingdom	4,212	2,510
Rest of Europe	271	278
North America	197	117
Rest of world	2,418	869
	<u>7,098</u>	<u>3,774</u>

(b) Analysis by class of business

	18-month period ended 30 June 2018 £'000	12-month period ended 31 December 2016 £'000
Licence	1,111	354
Services	3,090	1,387
Maintenance	2,541	1,108
Other	356	925
	<u>7,098</u>	<u>3,774</u>

NOTE 3: PROFIT BEFORE TAXATION

Profit before taxation is stated after charging / (crediting) the following items:

	18-month period ended 30 June 2018 £'000	12-month period ended 31 December 2016 £'000
Depreciation of owned assets	10	-
Amortisation of intangible assets, including goodwill	405	45
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	21	20
Net foreign exchange differences	3	-

HANSEN BILLING SOLUTIONS LIMITED
NOTES TO THE FINANCIAL REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018

NOTE 4: EMPLOYEES

Staff costs were as follows:

	18-month period ended 30 June 2018 £'000	12-month period ended 31 December 2016 £'000
Wages and salaries	2,277	1,630
Social security costs	293	218
Other pension costs	298	157
Share-based payments	-	17
	<u>2,868</u>	<u>2,022</u>

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

	18-month period ended 30 June 2018 No.	12-month period ended 31 December 2016 No.
Analysts/programmers	23	26
Administration	2	3
	<u>25</u>	<u>29</u>

NOTE 5: DIRECTORS' REMUNERATION

The directors did not receive any emoluments for their services as directors of the company during the period (12-month period ended 31 Dec 2016: 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.

NOTE 6: TAXATION

	18-month period ended 30 June 2018 £'000	12-month period ended 31 December 2016 £'000
Current tax		
UK corporation tax on profits for the period	518	44
Payment in respect of group relief	76	-
Adjustments in respect of previous periods	(2)	4
	<u>592</u>	<u>48</u>
Total current tax	<u>592</u>	<u>48</u>
Deferred tax		
Origination and reversal of timing differences	-	39
Effect of change of tax rate	4	(2)
Total deferred tax	<u>4</u>	<u>37</u>
Taxation	<u>596</u>	<u>85</u>

(a) Factors affecting tax charge for the period

The tax assessed for the 18-month period is higher than (12-month period ended 31 Dec 2016: lower than) the standard rate of corporation tax in the UK of 19% (12-month period ended 31 Dec 2016: 20%). The differences are explained below:

HANSEN BILLING SOLUTIONS LIMITED
NOTES TO THE FINANCIAL REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018

NOTE 6: TAXATION (CONTINUED)

	18-month period ended 30 June 2018 £'000	12-month period ended 31 December 2016 £'000
Profit before tax	2,689	620
Profit multiplied by standard rate of corporation tax in the UK of 19.16% (31 Dec 2016 - 20%)	515	124
Effects of:		
Non-deductible expenses	6	17
Adjustments to tax charge in respect of prior periods	-	4
Change in tax rates	(1)	(3)
Relief for share-based payments	-	32
Group relief	-	(89)
Depreciation in excess of capital allowances	76	-
Total tax charge for the period	596	85

(b) Factors that may affect future tax charges

The corporation tax rate for UK company profits was 19% at the year end. The rate will reduce at 1 April 2020 to 17%. Deferred tax has been recognised at a rate of 17%, which is the rate that was substantively enacted at the period end.

NOTE 7: DIVIDENDS

	18-month period ended 30 June 2018 £'000	12-month period ended 31 December 2016 £'000
Dividends paid	-	6,595

NOTE 8: INTANGIBLE ASSETS

	Customer contracts £'000	Total £'000
Cost		
At 1 January 2017 and 30 June 2018	1,350	1,350
Amortisation		
At 1 January 2017	(45)	(45)
Charge for the period	(405)	(405)
At 30 June 2018	(450)	(450)
Net book value		
At 30 June 2018	900	900
At 31 December 2016	1,305	1,305

During the 12-month period ended 31 December 2016, 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%.

HANSEN BILLING SOLUTIONS LIMITED
NOTES TO THE FINANCIAL REPORT
FOR THE 18 MONTH PERIOD ENDED 30 JUNE 2018

NOTE 8: INTANGIBLE ASSETS (CONTINUED)

The customer contracts are being amortised evenly over five years. Amortisation is included in administration expenses in the profit and loss account. At 30 June 2018 and 31 December 2016, no impairment indicators were noted.

NOTE 9: TANGIBLE FIXED ASSETS

	Computer equipment £'000	Total £'000
Cost		
At 1 January 2017 and 30 June 2018	25	25
Depreciation		
At 1 January 2017	-	-
Charge for the period	(10)	(10)
At 30 June 2018	(10)	(10)
Net book value		
At 30 June 2018	15	15
At 31 December 2016	25	25

The depreciation charged during the financial period is included in Administration Expenses.

NOTE 10: DEBTORS

	30 June 2018	31 December 2016
Note	£'000	£'000
Trade debtors	425	538
Amounts owed by group undertakings	1,513	-
Other debtors	-	26
Deferred taxation	17	21
Prepayments and accrued income	155	10
	2,110	595

Amounts falling due after more than one year included above are:

	30 June 2018	31 December 2016
Note	£'000	£'000
Deferred taxation	17	21
	17	21

Intercompany balances are unsecured, interest free and repayable on demand. The material intercompany debtors of £1,513,000 at 30 June 2018 (31 December 2016: nil) is with Hansen Holdings Europe Limited.

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NOTE 11: CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2018 £'000	31 December 2016 £'000
Trade creditors	11	59
Amounts owed to group undertakings	-	22
Corporation tax	145	45
Other taxation and social security	91	38
Other creditors	44	-
Accruals and deferred income	667	1,230
	<u>958</u>	<u>1,394</u>

All intercompany balances are unsecured, interest free and repayable on demand.

NOTE 12: DEFERRED TAXATION

The deferred tax included within debtors is as follows:

	18-month period ended 30 June 2018 £'000	12-month period ended 31 December 2016 £'000
Opening balance	21	58
Charged to profit or loss	(4)	(37)
Closing balance	<u>17</u>	<u>21</u>

The deferred tax asset is made up as follows:

Accelerated capital allowances	17	19
Short-term timing differences	-	2
	<u>17</u>	<u>21</u>

NOTE 13: SHARE CAPITAL AND RESERVES

	30 June 2018 £	31 December 2016 £
Authorised		
1,000 (31 Dec 2016 - 1,000) authorised shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1 (31 Dec 2016 - 1) authorised share of £1	1	1

Ordinary authorised and allotted shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings, each ordinary share is entitled to one vote when a poll is called.

The company's reserves are as follows:

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

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NOTE 14: PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its staff. The pension cost charge for the period was £293,000 (12-month period ended 31 Dec 2016: £157,000). At the end of the period £15,000 (12-month period ended 31 Dec 2016: £16,000) was owed to the defined contribution pension scheme providers.

NOTE 15: CONTINGENCIES

The company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other participating group undertakings' unpaid debts in this connection, amounting to £511,027 at 30 June 2018. There was no group registration for VAT purposes in place in the prior year.

NOTE 16: 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, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

NOTE 17: 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 its registered office at 2 Frederick Street, Doncaster, Victoria, Australia.

NOTE 18: EVENTS AFTER BALANCE SHEET DATE

There has been no matter or circumstance, which has arisen since 30 June 2018 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2018, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2018, of the company.