

COMPANY REGISTRATION NUMBER 04812491

**Strategic Report, Directors' Report and
Financial Statements for the Year Ended
31 August 2018 for
Vermilion Software Limited**



Vermilion Software Limited
Contents of the Financial Statements
Year Ended 31 August 2018

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Vermilion Software Limited

Company Information Year Ended 31 August 2018

DIRECTORS

A Burton (Resigned 28 February 2019)
M. Nicoletti (Resigned 7 October 2018)
Mark Dell'Isola (Appointed 7 October 2018)
Helen Shan (Appointed 7 October 2018)
Frederick Philip Snow (Appointed 7 October 2018)

SECRETARY

R Stern

COMPANY NUMBER

04812491

REGISTERED OFFICE

Broadgate Quarter
1 Snowden Street
London
EC2A 2DQ

AUDITOR

Ernst & Young LLP
Statutory Auditor
1 More London Place
London, United Kingdom
SE1 2AF

Vermilion Software Limited

Strategic Report Year Ended 31 August 2018

The directors present their Strategic report for the year ended 31 August 2018.

PRINCIPAL ACTIVITIES OF THE BUSINESS

The company develops, markets, implements and sells Client Reporting Software solutions to the Financial Services Sector. Its principal product is VRS, a leading-edge end-to-end client reporting solution for the asset management sector.

REVIEW OF THE BUSINESS

Vermilion provides integrated Client Reporting Software applications for the global investment community. The solution continues to be developed with new functionality proving to be attractive in the marketplace. Since acquisition by Factset Research Systems Inc, Vermilion has gained core synergies following a larger client base, wider talent and learning base to enable growth into 2018 and beyond.

RESULTS AND PERFORMANCE

The results of the Company for the year, as set out on page 8, show a profit on ordinary activities before tax of £609,084 (2017: Loss of £1,045,837). The chief contributor of the loss in the prior period followed a change in accounting policy not to capitalise research and development costs. This was applied in 2017, with 2018 reflecting normalised performance.

PRINCIPAL RISKS AND UNCERTAINTIES


The principal risks and uncertainties are integrated with the principal risks of the group and are not separately managed. Accordingly, the principal risks and uncertainties of the FactSet Research Systems Inc. group, which include those of the company, are discussed on page 13 of group's annual report, item 1A -Risk Factors, filed at the US Securities and Exchange Commission, which does not form part of this report.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company's key financial and other performance indicators during the period were as follows. Turnover achieved in the year was £5,393,087 (2017: £7,625,372), with the decrease mainly represented by comparing a 12-month period in 2018 to a 17-month period of reporting in 2017, coupled with a transfer of clients into FactSet UK, in line with the group strategy to recognise synergies in operations and integrate these with the FactSet Group post acquisition.

An operating profit has been incurred for the year of £774,133 (2017: Loss of £1,045,837). The prior period loss was chiefly due to a change in accounting policy regarding the capitalisation of research and development costs effected when the company was acquired by FactSet to be in line with group accounting policies. This change in accounting policy was applied retrospectively in 2017. 2018 reflects normal activity for a 12-month period.

ON BEHALF OF THE BOARD:



M Dell'Isola - Director

Date: 30/5/19

Vermilion Software Limited

Directors' Report Year Ended 31 August 2018

The directors present their report and the financial statements of the company for the year ended 31 August 2018.

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2018 (2017: nil).

DIRECTORS

A Burton (Resigned 28 February 2019)
M. Nicolelli (Resigned 7 October 2018)
Mark Dell'Isola (Appointed 7 October 2018)
Helen Shan (Appointed 7 October 2018)
Frederick Philip Snow (Appointed 7 October 2018)

DISABLED EMPLOYEES

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

CHARITABLE DONATIONS

No charitable donations were made during the period.

POST BALANCE SHEET EVENTS

The Company has no post balance sheet events requiring disclosure.

FUTURE DEVELOPMENTS

The company expects to continue growing next year in line with the FactSet group overall performance.

GOING CONCERN

The financial statements have been prepared on the going concern basis. The company has made a profit for the year ended 31 August 2018 and has net assets at 31 August 2018. On the basis of this and having prepared and considered trading forecasts and cash flow requirements for the company for a period of twelve months from the date of approval of these financial statements, the directors have concluded that it is appropriate to prepare these financial statements on a going concern basis.

Vermilion Software Limited

Directors' Report (*continued*) Year Ended 31 August 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 elected to prepare 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'. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The auditors, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



M Dell'Isola - Director

Date: 30/5/19

Vermilion Software Limited

Independent Auditor's Report to the Member of Vermilion Software Limited

OPINION

We have audited the financial statements of Vermilion Software Limited for the year ended 31 August 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes equity and the related notes 1 to 17, 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 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 company's affairs as at 31 August 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. 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.

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.

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

Vermilion Software Limited

Independent Auditor's Report to the Member of Vermilion Software Limited

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 strategic report or 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.

Vermilion Software Limited

**Independent Auditor's Report to the Member of
Vermilion Software Limited**

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 4, 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Ernst & Young LLP

Philip Young (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date:31 May 2019.....

Vermilion Software Limited

Statement of Comprehensive Income Year Ended 31 August 2018

		Year ended 31 Aug 2018 £	17 months ended 31 Aug 2017 £
TURNOVER	Note 2	5,393,087	7,625,372
Cost of sales		(2,119,918)	(2,864,004)
GROSS PROFIT		3,273,169	4,761,368
Administrative expenses		(2,499,036)	(5,918,965)
Other operating income		-	111,760
OPERATING PROFIT/ (LOSS)	5	774,133	(1,045,837)
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		774,133	(1,045,837)
Tax on profit/ (loss) on ordinary activities	6	(165,049)	331,184
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		609,084	(714,653)

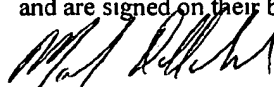
All activities relate to continuing operations.

Vermilion Software Limited

Statement of Financial Position 31 August 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	7	18,872	32,499
		<u>18,872</u>	<u>32,499</u>
CURRENT ASSETS			
Debtors	8	1,984,997	2,958,037
Cash at bank		864,554	1,203,602
		<u>2,849,551</u>	<u>4,161,639</u>
CREDITORS: Amounts falling due within one year	9	(3,338,388)	(4,976,724)
NET CURRENT LIABILITIES		<u>(488,837)</u>	<u>(815,085)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(469,964)</u>	<u>(170,624)</u>
CREDITORS: Amounts falling due after more than one year	10	-	(6,882)
Provisions for liabilities	15	-	(289,578)
NET LIABILITIES		<u>(469,964)</u>	<u>(1,079,046)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	1,768,014	1,768,014
Share premium account	11	336,987	336,987
Other Reserves	13	-	-
Profit and loss account		(2,574,965)	(3,184,047)
TOTAL SHAREHOLDERS' FUNDS		<u>(469,964)</u>	<u>(1,079,046)</u>

These financial statements were approved by the directors and authorised for issue on 30/5/19 and are signed on their behalf by:



M Dell'Isola
Director

Company Registration Number: 04812491

Vermilion Software Limited

Statement of Changes in Equity Year Ended 31 August 2018

	Notes	Share Capital £	Share Premium £	Other Reserves £	Profit and Loss Account £	Total £
Balance as at 01 March 2016		1,768,014	336,987	130,841	(2,469,394)	(233,552)
Loss for the 17 months ended 31 August 2017	13	-	-	-	(714,653)	(714,653)
Equity settled share-based payments		-	-	(130,841)	-	(130,841)
Balance as at 31 August 2017		1,768,014	336,987	-	(3,184,047)	(1,079,046)
Profit for the year ended 31 August 2018		-	-	-	609,084	609,084
Balance as at 31 August 2018		1,768,014	336,987	-	(2,574,965)	(469,964)

Vermilion Software Limited

Notes to the Financial Statements Year Ended 31 August 2018

1. ACCOUNTING POLICIES

1.1 Statutory Information

Vermilion Software Limited is a private company limited by shares incorporated in England and Wales.

The company's registered number and registered office address can be found on the Company Information page.

The principal activity of the company is detailed in the Strategic Report.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- 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 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosure paragraph 33.7

This information is included in the consolidated financial statements of FactSet Research Systems Inc., as at as at 31 August 2017 and these financial statements may be obtained from www.factset.com

1.3 Basis of preparing the financial statements

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

The financial statements have been prepared under the historical cost convention. The financials are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.4 Going Concern

The financial statements have been prepared on the going concern basis. The company has made a loss for the year ended 31 August 2018 and has net assets at 31 August 2018. On the basis of this and having prepared and considered trading forecasts and cash flow requirements for the company for a period of twelve months from the date of approval of these financial statements, the directors have concluded that it is appropriate to prepare these financial statements on a going concern basis.

1.5 Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Vermilion Software Limited

Notes to the Financial Statements *(continued)* Year Ended 31 August 2018

1. ACCOUNTING POLICIES *(continued)*

1.6 Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1.7 Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 6.

1.8 Turnover

Turnover includes amounts invoiced for software and related services exclusive of Value Added Tax. The Company recognises revenue from software license sales on a straight-line basis over the term of the licence.

Income from professional services, customer support & maintenance services and software application hosting is recognised in the period in which the related service is provided.

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Tenants improvements	- 33% straight line
Office equipment	- 33% straight line
Computer equipment	- 33% straight line
Laptops	- 25% straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Vermilion Software Limited

Notes to the Financial Statements (continued) Year Ended 31 August 2018

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs. At subsequent reporting periods, the basic financial assets receivable within one year are measured at the undiscounted amount of the cash or other consideration that the company expects to receive.

Basic financial assets that constitute financing transactions, in accordance with FRS 102 paragraph 11.13, are measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial assets that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies that are payable within one year or less, other than those that constitute a financing transaction in accordance with FRS 102 paragraph 11.13, are initially recognised at the transaction price and, except for those financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b), are subsequently measured at the undiscounted amount of the cash or other consideration that the company expects to pay.

Basic financial liabilities that constitute a financing transaction in accordance with FRS 102 paragraph 11.13 are measured at the present value of the future disbursements discounted at a market rate of interest.

Basic financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

1.12 Taxation

Current taxation, including UK Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or subsequently enacted by the balance sheet date.

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

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Vermilion Software Limited

Notes to the Financial Statements (continued) Year Ended 31 August 2018

1. ACCOUNTING POLICIES (continued)

1.13 Leasing

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Lease incentives are recognised over the lease term on a straight-line basis.

1.14 Pensions

The company operates a defined contribution pension scheme. The amount charged to the Profit and Loss Account in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

1.15 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit or loss.

2. TURNOVER BY GEOGRAPHICAL MARKET

	Year ended 31 Aug 2018 £	17 months ended 31 Aug 2017 £
United Kingdom	<u>5,393,087</u>	<u>7,625,372</u>

3. STAFF COSTS

	Year ended 31 Aug 2018 £	17 months ended 31 Aug 2017 £
Wages and salaries	2,240,430	3,342,400
Social security costs	289,064	733,002
Other pension costs	110,703	138,777
	<u>2,640,197</u>	<u>4,214,179</u>

The average monthly number of employees during the period was as follows

Administration and management	-	2
Selling and distribution	32	37
	<u>32</u>	<u>39</u>

Vermilion Software Limited

Notes to the Financial Statements (continued) Year Ended 31 August 2018

4. DIRECTORS EMOLUMENTS

	Year ended 31 Aug 2018 £	17 months ended 31 Aug 2017 £
Remuneration for qualifying service	-	244,404
Company pension contributions	-	7,386
	-	251,790
	2018	2017
	£	£
Highest paid director		
Amounts included above:		
Emoluments and other benefits	-	100,598
Pension contributions	-	2,824
	-	103,422

No directors were employed or paid by the entity in 2018.

5. OPERATING PROFIT/ (LOSS)

Operating profit/ (loss) is stated after charging/ (crediting):

	Year ended 31 Aug 2018 £	17 months ended 31 Aug 2017 £
Operating lease rental - land and buildings	-	151,704
Depreciation - owned assets	14,276	103,001
Foreign exchange differences	50,104	(45,866)
Share based payment expense	-	(130,841)

The audit fee for the current period has been borne by another group company (FactSet Europe Limited).

6. TAXATION ON ORDINARY ACTIVITIES

	Year ended 31 Aug 2018 £	17 months ended 31 Aug 2017 £
Current tax:		
UK Corporation tax based on the results for the period	-	(237,803)
Adjustment in respect of previous periods	10,878	-
Total current tax	10,878	(237,803)
Deferred tax:		
Origination and reversal of timing differences	204,379	(170,599)
Prior year adjustments	(28,695)	24,032
Effect of changes in tax rates	(21,513)	53,186
Total deferred tax	154,171	(93,381)
Tax on profit/(loss) on ordinary activities	165,049	(331,184)

Vermilion Software Limited

Notes to the Financial Statements (continued) Year Ended 31 August 2018

6. TAXATION ON ORDINARY ACTIVITIES (continued)

Factors affecting current tax charge

The charge for the year can be reconciled to the profit per the Income Statement as follows:

	2018 £	2017 £
Profit/(loss) on ordinary activities before taxation	<u>774,133</u>	<u>(1,045,837)</u>
Profit/(loss) on ordinary activities at standard UK tax rate of 19% (2017: 19.7%)	147,087	(206,075)
Expenses not deductible for tax purposes	57,292	(202,327)
Adjustment from previous periods	(17,817)	24,032
Tax rate changes	<u>(21,513)</u>	<u>53,186</u>
Total current tax	<u>165,049</u>	<u>(331,184)</u>

Deferred tax

The deferred tax asset included in debtors Note 8 is as follows:

	2018 £	2017 £
Fixed Asset timing differences	1,420	(1,051)
Short term timing differences	-	9,766
Losses carried forward	486,783	644,540
R&D expenditure credit	<u>10,879</u>	<u>-</u>
Deferred tax asset at end of period	<u>499,082</u>	<u>653,255</u>

Deferred tax asset

	2018 £	2017 £
At start of period	653,253	559,872
Adjustment in respect of prior periods	28,695	(24,032)
Deferred tax charge to income statement	<u>(182,866)</u>	<u>117,413</u>
Deferred tax asset at end of period	<u>499,082</u>	<u>653,253</u>

Deferred tax asset

The Finance Act 2016 introduced legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017. The Finance Act 2017, substantively enacted in September 2017, further reduces the rate to 17% for the year starting 1 April 2020. Therefore, a tax rate of 17% has been used in these financial statements to measure the deferred tax assets and liabilities.

Vermilion Software Limited

Notes to the Financial Statements (continued)

Year Ended 31 August 2018

7. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures, fitting & equipment £	Computer equipment £	Total £
COST				
At 1 September 2017	157,892	139,456	139,820	437,168
Additions	-	-	2,393	2,393
Disposals	-	-	(6,356)	(6,356)
At 31 August 2018	<u>157,892</u>	<u>139,456</u>	<u>135,857</u>	<u>433,205</u>
DEPRECIATION				
At 1 September 2017	157,892	139,456	107,322	404,670
Disposals	-	-	(4,613)	(4,613)
Charge for the period	-	-	14,276	14,276
At 31 August 2018	<u>157,892</u>	<u>139,456</u>	<u>116,985</u>	<u>414,333</u>
NET BOOK VALUE				
At 31 August 2018	<u>-</u>	<u>-</u>	<u>18,872</u>	<u>18,872</u>
At 31 August 2017	<u>-</u>	<u>-</u>	<u>32,498</u>	<u>32,498</u>

8. DEBTORS: Amounts falling due within one year:

	2018 £	2017 £
Trade debtors	629,257	1,609,604
Amounts owed by group undertakings	420,045	349,685
Other debtors	436,613	345,495
	<u>1,485,915</u>	<u>2,304,784</u>

Amounts falling due after one year:

	2018 £	2017 £
Deferred tax asset	499,082	653,253
Total Debtors	<u>1,984,997</u>	<u>2,958,037</u>

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

9. CREDITORS: Amounts falling due within one year:

	2018 £	2017 £
Trade creditors	177,442	177,689
Amounts owed to group undertakings	2,134,452	2,109,243
Other taxation and social security	74,233	96,816
Deferred income	441,845	2,332,827
Other creditors	510,416	260,149
	<u>3,338,388</u>	<u>4,976,724</u>

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

Vermilion Software Limited

Notes to the Financial Statements (continued) Year Ended 31 August 2018

10. CREDITORS: Amounts falling due after more than one year

	2018	2017
	£	£
Other creditors	-	6,882

11. SHARE PREMIUM ACCOUNT

	2018	2017
	£	£
At the beginning and end of year	336,987	336,987

There was no movement on the share premium account during the financial period.

12. CALLED UP SHARE CAPITAL

Ordinary share capital
Issued and fully paid:

	31 August 2018		31 August 2017	
	No	£	No	£
Ordinary shares of £0.01 each	176,801,350	1,768,014	176,801,350	1,768,014

13. OTHER RESERVES

	2018	2017
	£	£
Opening balance at beginning of period	-	130,841
Movement for the period	-	(130,841)
Balance at end of period	-	-

14. OPERATING LEASE COMMITMENTS

	Land and Buildings	
	2018	2017
	£	£
In one year	68,828	206,483
Between 2 and 5 years	860,344	51,620
	929,171	258,103

Vermilion Software Limited

Notes to the Financial Statements (continued) Year Ended 31 August 2018

15. PROVISIONS FOR LIABILITIES

Since acquisition by ultimate parent company Factset Research Systems Inc, all staff have moved out the existing leased premises effective 03 March 2016, and now occupy shared space in the parent company offices in Broadgate Quarter, London. A vacant space charge had been recognised in the previous year for the cost of the fixed rental until the earliest date of lease expiration on 31 October 2018. In March 2019, the company agreed to assign the lease of the previous office premises to a third party, therefore the vacant space charge has been reversed in the year. It has also been confirmed that the dilapidation provision for the restoration of the building upon exit is no longer required.

	Vacant Space Charge £	Dilapidation Provision £	Total £
At 01 September 2017	239,578	50,000	289,578
Provided	278,674	-	278,674
Utilised	(212,545)	-	(212,545)
Reversed	(305,707)	(50,000)	(355,707)
	<hr/>	<hr/>	<hr/>
At 31 August 2018	-	-	-
	<hr/>	<hr/>	<hr/>

16. PARENT COMPANY

The company's immediate parent undertaking and controlling party is Vermilion Holdings Limited. The company's ultimate parent undertaking and controlling party is FactSet Research Systems Inc., incorporated in the USA. Its registered office is 601 Merritt 7, Norwalk, CT06851, USA.

Through the Investor Relations section of FactSet Research Systems Inc's website (<http://investor.factset.com>), FactSet makes available the following filings as soon as practicable after they are electronically filed with, or furnished to, the SEC: the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements for the annual stockholder meetings, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended. All such filings are available free of charge.

FactSet Research Systems Inc. is the smallest and the largest group which includes Vermilion Software Limited in its consolidated financial statements. Copies of the consolidated financial statements, in which the company is included, are available from its registered office.

17. PENSION

The company operates a defined contribution pension scheme in respect of the employees and directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £110,703 (2017 - £138,778).

The amount outstanding at the year-end was Nil (2017 - £15,635)