

CODA LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2010

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CODA LIMITED

Registered No. 5861419

## DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2010.

### **Principal activity, Business review and Future outlook**

The company is a holding company for the investment in CODA Group International Limited. It is expected that the company will remain in this capacity for the foreseeable future, with the only income being dividends from CODA Group International Limited

### **Results and dividends**

In 2010 and 2009 the company recorded no turnover. In 2010 no dividends were received, paid or proposed. During the year ended 31 December 2009 the Company received dividends from wholly owned subsidiaries of the CODA group of companies of £22,728,927 and paid a dividend of £23,000,000.

### **Directors**

The directors who held office during the year ended 31 December 2010 and to the date of this report are as follows:

A van Marion

A Robinson      appointed      1 April 2010

J Crooks          resigned        1 April 2010

J Roche          resigned        2 August 2010

### **Statement of directors' responsibilities**

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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 proper 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.

CODA LIMITED

DIRECTOR'S REPORT continued

**Going Concern**

After making enquires the directors have a reasonable expectation that the company has adequate resources to continue in operational existence in the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the accounts.

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

A resolution to re-appoint Ernst & Young LLP as the Company's auditors will be put to the forthcoming annual general meeting.

By order of the board



A Robinson

Director

26 September 2011

Methuen Park  
Chippenham  
Wiltshire  
SN14 0GB

## **Independent auditors' report to the members of CODA Limited**

We have audited the financial statements of CODA Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's 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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

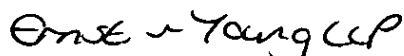
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Jane Barwell (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Bristol

27 September 2011

CODA LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
<b>Turnover</b>	2	-	-
Other operating charges	5	-	(1)
<b>Operating loss</b>	5	-	(1)
Dividends received		-	22,728,927
<b>Profit on ordinary activities before taxation</b>		-	22,728,926
Tax credit on profit on ordinary activities	7	-	-
<b>Profit for the financial year</b>		-	22,728,926

The company has no recognised gains or losses for the year.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2010

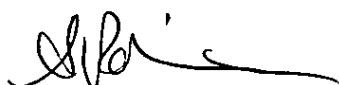
	Note	2010 £	2009 £
Profit for the financial year		-	22,728,926
Dividends paid	6	-	(23,000,000)
Decrease in shareholder's funds		-	(271,074)
Opening shareholders' funds		22,674,329	22,945,403
<b>Closing shareholders' funds</b>		22,674,329	22,674,329

CODA LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Investments	8	19,243,431	19,243,431
<b>Current assets</b>			
Debtors	9	3,430,888	3,443,994
Cash in hand and at bank	10		6
		<u>3,430,898</u>	<u>3,444,000</u>
<b>Creditors:</b> amounts falling due within one year	10	-	(13,102)
<b>Net current assets</b>		<u>3,430,898</u>	<u>3,430,898</u>
<b>Net assets</b>		<u>22,674,329</u>	<u>22,674,329</u>
<b>Capital and reserves</b>			
Called-up share capital	11	19,243,432	19,243,432
Profit and Loss account	12	3,430,897	3,430,897
<b>Shareholders' funds</b>		<u>22,674,329</u>	<u>22,674,329</u>

The accounts were approved by the Board of directors on 28 September 2011 and were signed on its behalf by:



A Robinson  
Director

NOTES (forming part of the financial statements)  
YEAR ENDED 31 DECEMBER 2010

**1. Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

a) Basis of Preparation

The financial statements have been prepared on the going concern basis, in accordance with applicable accounting standards and under the historical cost accounting rules. The company is exempt from the requirement to produce group accounts, as it is itself a wholly owned subsidiary of UNIT4 N.V. (formerly Unit 4 Agresso N.V.). The accounts have been prepared on the same basis as for the year ended 31 December 2009.

b) Going Concern

After reviewing the results and forecast of the company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence in the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the accounts.

c) Cashflow Statement

The directors have taken advantage of the wholly owned subsidiary Company exemption of Financial Reporting Standard No 1 (Revised) and thus a cash flow statement has not been published. A consolidated cash flow statement is included in the consolidated financial statements of UNIT4 N.V.

d) Investments

Investments in subsidiaries are stated at cost and reviewed for impairment if there are indications that the carrying value may not be recoverable.

e) Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on such transactions are recognised in the profit and loss account.

f) Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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

NOTES (forming part of the financial statements)  
YEAR ENDED 31 DECEMBER 2010

**2. Turnover by geographical area**

The company had no revenues in either year.

**3. Staff numbers and costs**

Since the company employed no staff in either year, no staff numbers or costs information is disclosed.

**4. Remuneration of directors**

The directors' remuneration is paid by other companies within the group and no charge is made to CODA Limited in respect of services provided to the company by the directors

Remuneration for Anwen Robinson and John Crooks was paid by UNIT4 Business Software Ltd As CODA Limited is effectively a holding company, the directors consider that no allocation should be made in respect of services provided to the company in either year.

Remuneration for Jeremy Roche and Arie van Marion was paid through UNIT4 Business Software Holdings B.V. and charged to group companies as part of the annual Holding Services charge No such charge was made to CODA Limited in either year as the allocation is based on headcount

**5. Operating Profit**

The total audit fees for 2010, to be paid by CODA GB Ltd to Ernst & Young LLP, amount to £19,600 (2009: £17,000) and this will include the fees to cover the audit of CODA Ltd of £500 (2009: £500).

**6. Dividends**

	2010 £	2009 £
Dividends paid	-	23,000,000
	<hr/>	<hr/>
	-	23,000,000
	<hr/>	<hr/>



CODA LIMITED

NOTES (forming part of the financial statements)  
YEAR ENDED 31 DECEMBER 2010

**7. Tax on profit on ordinary activities**

	2010 £	2009 £
UK corporation tax	-	-

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28% (2009: 28%) The actual effective tax rate for the current year is lower (2009: lower) than this standard rate.

The differences are analysed as follows

	2010 £	2009 £
Profit on ordinary activities before taxation	-	22,728,926
Tax at standard rate of 28% (2009: 28%)	-	6,364,100
Expenses not deductible for tax purposes		
Intra Group dividends	-	(6,364,100)
Total current tax credit	-	-

Following announcements in the Budget of 23 March 2011, the full rate of corporation tax will be reduced by a further 1% to 26% for the financial year starting 1 April 2011. The additional 1%, combined with the rate reductions in the June 2010 announcement, will ultimately bringing the corporation tax rate down to 23% for 2014/15. As the company has neither deferred tax liability nor asset, if these changes had been substantively enacted at the balance sheet date, there would have been no effect.

CODA LIMITED

NOTES (forming part of the financial statements)  
YEAR ENDED 31 DECEMBER 2010

8. <b>Investments</b>	2010 £	2009 £
<i>Shares in subsidiary undertakings</i>		
At beginning of year	19,243,431	19,243,432
Disposal of CODA Group Holdings Ltd	-	(1)
At end of year	19,243,431	19,243,431

As at 1 January 2010, the investment in subsidiary undertaking was made up as follows.

	<i>Country of Registration</i>	<i>Principal activity</i>	<i>Class of Shares</i>
CODA Group International Ltd	England	Computer software	£1 ords.

Throughout the period held, the subsidiary was wholly owned and principally operated in the country in which it was registered.

9. <b>Debtors</b>	2010 £	2009 £
Amounts owed by group undertakings	3,430,888	3,443,994
	3,430,888	3,443,994

10. <b>Creditors:</b> amounts falling due within one year	2010 £	2009 £
Other creditors	-	4,287
Accruals	-	8,815
	-	13,102

11. <b>Called up share capital</b>	No. of ordinary shares of 25p	£
<i>Allotted, called up and fully paid</i>		
At beginning and end of year	76,973,727	19,243,432

At 31 December 2010 the authorised share capital comprised 100,000,000 (2009 – 100,000,000) ordinary shares of 25p each and 50,000 (2009 – 50,000) redeemable shares of £1 each.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

NOTES (forming part of the financial statements)  
YEAR ENDED 31 DECEMBER 2010

12. Profit and loss account	2010 £	2009 £
At beginning of year	3,430,897	3,701,971
Retained profit of the year	-	22,728,926
Dividend paid	-	(23,000,000)
At end of year	<u>3,430,897</u>	<u>3,430,897</u>

13. Commitments

The company had no commitments in respect of non-cancellable operating leases.

14. Contingent liabilities

UNIT4 N.V. (formerly Unit 4 Agresso N.V.) financed the acquisition of the CODA Group with a €230 million loan facility from ING Bank N.V. and ABN Amro. During 2008 CODA GB Ltd, CODA Group International Ltd and CODA Ltd, acceded to the senior facilities agreement and became additional guarantors to the agreement. At 31 December 2010 the assets of these companies are secured against the loan facility.

15. Related parties

Throughout the year the Company was controlled by UNIT4 N.V. (formerly Unit 4 Agresso N.V.), a Company incorporated in the Netherlands and its ultimate holding Company. The Company has taken advantage of the exemption within Financial Reporting Standard 8 "Related Party Transactions", not to include details of transactions within the group. There are no other related party transactions requiring disclosure.

16. Ultimate holding company

As at 31 December 2010 the Company's immediate parent undertaking is UNIT4 Business Software Ltd and its ultimate parent Company and controlling party is UNIT4 N.V. (formerly Unit4 Agresso N.V.), a Company incorporated in the Netherlands.

UNIT4 N.V. is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of UNIT4 N.V. consolidated financial statements can be obtained from the Company Secretary at UNIT4 N.V., Stationspark 200, 3364 Shiedrecht, The Netherlands.