

Financial Statements Preservica Limited

For the year ended 31 March 2016



Registered number: 07998621

Preservica Limited
Registered number: 07998621

Company Information

Directors	J F Tilbury K J Gell G Blackburn S J Curl S A Elliott
Company secretary	S A Elliott
Registered number	07998621
Registered office	22 The Quadrant Abingdon Oxfordshire OX14 3YS
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3140 Rowan Place John Smith Drive Oxford Business Park South Oxford Oxfordshire OX4 2WB

Preservica Limited
Registered number: 07998621

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Directors' Report

For the year ended 31 March 2016

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

Principal activities

The principal activity is the development and provision of Digital Preservation software solutions (both cloud hosted (SaaS) and on premise), and the associated consultancy, customisation, and support and maintenance services to leading archives, libraries, museums, government organisations and businesses in the UK, US, Europe and Asia Pacific. On 2 December 2015 Tessella Holdings Limited disposed of its 100% shareholdings in the company.

Directors

The directors who served during the year were:

J F Tilbury

K J Gell

A Gaby (resigned 2 December 2015)

G Blackburn (appointed 2 December 2015)

S J Curl (appointed 2 December 2015)

S A Elliott (appointed 2 December 2015)

Directors' responsibilities statement

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 judgments and accounting estimates that are reasonable and prudent;
- 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.

Directors' Report

For the year ended 31 March 2016

Disclosure of information to auditor

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

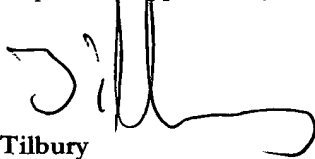
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



J F Tilbury
Director

Date: 31-OCT-2016

Independent Auditor's Report to the Members of Preservica Limited

We have audited the financial statements of Preservica Limited for the year ended 31 March 2016, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditor

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.



Independent Auditor's Report to the Members of Preservica Limited

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

GRANT THORNTON UK LLP

Pinkesh Patel (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Oxford

Date: 2/11/2016

Profit and Loss Account

For the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	1,2	1,776,864	781,050
Cost of sales		<u>(243,999)</u>	<u>(145,884)</u>
Gross profit		1,532,865	635,166
Administrative expenses		<u>(1,369,384)</u>	<u>(297,870)</u>
Operating profit	3	163,481	337,296
Interest payable and similar charges		<u>(38)</u>	<u>(1,310)</u>
Profit on ordinary activities before taxation		163,443	335,986
Tax on profit on ordinary activities	6	<u>(44,109)</u>	<u>(12,000)</u>
Profit for the financial year	12	<u>119,334</u>	<u>323,986</u>

The notes on pages 7 to 13 form part of these financial statements.

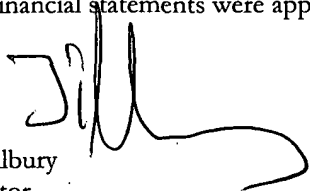
Balance Sheet

As at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	7		27,912		-
Investments	8		59		59
			<u>27,971</u>		<u>59</u>
Current assets					
Debtors	9	1,181,121		587,482	
Cash at bank		674,614		136,158	
		<u>1,855,735</u>		<u>723,640</u>	
Creditors: amounts falling due within one year	10	(714,874)		(399,613)	
Net current assets			<u>1,140,861</u>		<u>324,027</u>
Total assets less current liabilities			<u><u>1,168,832</u></u>		<u><u>324,086</u></u>
Capital and reserves					
Called up share capital	11		825		100
Share premium account	12		724,687		-
Profit and loss account	12		443,320		323,986
Shareholders' funds	13		<u><u>1,168,832</u></u>		<u><u>324,086</u></u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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


J F Tilbury
Director

Date: 31-OCT-2016

The notes on pages 7 to 13 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2016

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the directors have taken into account all relevant available information about the future trading including profit and cash forecasts. The business is profitable and is cash generative in the current year. The company has considerable cash and is in the process of securing further investment, it is therefore considered appropriate to adopt a going concern basis of accounting in the preparation of the financial statements.

1.3 Turnover

Turnover represents revenue earned under contracts in respect of licence fees and professional services. Revenue is recognised as earned when, and to the extent that, the company obtains the rights to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding VAT.

Turnover on fixed price contracts is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of turnover reflects the accrual of the right to consideration by reference to the value of the work performed. Turnover not billed to clients is included in debtors as unbilled receivables.

Revenue from licence fees, hosting and customer support is invoiced in advance and spread over the period to which the service relates. Revenue from perpetual licences is recognised when the licence is initiated.

Revenue from initial software set-up and from development work is recognised on completion of the service.

Revenue from consultancy and professional services is recognised when the service is provided.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	25% per annum - reducing balance basis
Computer equipment	-	33.3% per annum - reducing balance basis

Notes to the Financial Statements

For the year ended 31 March 2016

1. Accounting Policies (continued)

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Deferred taxation

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 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 a 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

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Turnover

36.0% of the company's turnover (2015 - 30%) is attributable to geographical markets outside the United Kingdom.

Notes to the Financial Statements

For the year ended 31 March 2016

3. Operating profit

The operating profit is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	4,288	-
Pension and other costs	103,673	-
Operating lease costs - land and buildings	8,551	-
(Profit)/loss on foreign exchange	(31,186)	21,624
Auditor's remuneration - audit of financial statements	11,500	-
Auditor's remuneration - taxation services	3,250	-
	<u>103,673</u>	<u>21,624</u>

In the prior year the auditors remuneration was met by other group undertakings, when it was part of Tessella Holdings Limited.

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	837,066	-
Social security costs	103,399	-
Pension and other costs	103,673	-
	<u>1,044,138</u>	<u>-</u>

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

	2016 No.	2015 No.
Technical	9	0
Administrative	4	0
	<u>13</u>	<u>0</u>

Notes to the Financial Statements

For the year ended 31 March 2016

5. Directors' remuneration

	2016 £	2015 £
Aggregate remuneration	<u>164,477</u>	<u>-</u>

During the year retirement benefits were accruing to 2 directors (2015 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £119,199 (2015 - £NIL).

In the prior year the directors of the Company were remunerated through other Group undertakings, when it was part of Tessella Holdings Limited.

6. Taxation

	2016 £	2015 £
UK corporation tax charge on profit for the year	<u>44,109</u>	<u>12,000</u>

7. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2015	-	-	-
Additions	8,090	24,110	32,200
At 31 March 2016	<u>8,090</u>	<u>24,110</u>	<u>32,200</u>
Depreciation			
At 1 April 2015	-	-	-
Charge for the year	714	3,574	4,288
At 31 March 2016	<u>714</u>	<u>3,574</u>	<u>4,288</u>
Net book value			
At 31 March 2016	<u>7,376</u>	<u>20,536</u>	<u>27,912</u>
At 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

For the year ended 31 March 2016

8. Fixed asset investments

	Investments in subsidiary company £
Cost	
At 1 April 2015 and 31 March 2016	59
Net book value	
At 31 March 2016	59
At 31 March 2015	59

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Class of shares	Holding
Preservica Inc.	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Preservica Inc.	(150,145)	(178,535)

9. Debtors

	2016 £	2015 £
Trade debtors	705,310	390,855
Amounts owed by group undertakings	229,746	162,273
Prepayments and accrued income	225,876	28,081
Other debtors	20,189	6,273
	<u>1,181,121</u>	<u>587,482</u>

Notes to the Financial Statements

For the year ended 31 March 2016

10. Creditors:

Amounts falling due within one year

	2016	2015
	£	£
Payments received on account	172,191	92,797
Trade creditors	129,917	14,520
Amounts owed to group undertakings	20,047	55,343
Corporation tax	44,109	12,000
Other taxation and social security	41,705	52,213
Accruals and deferred income	293,020	172,052
Other creditors	13,885	688
	<u>714,874</u>	<u>399,613</u>

11. Share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
8,254,129 (2015 - 100) A Ordinary shares of £0.0001		
(2015: £1 each)	825	100
11 B Ordinary shares of £0.001 each	-	-
	<u>825</u>	<u>100</u>

On 26 May 2015 an allotment of 11 B ordinary shares of £0.01 were issued.

On 2 December 2015 there was a sub-division of shares. 100 A ordinary shares of £1 were converted into 1,000,000 A ordinary shares of £0.0001.

On 2 December 2015 the company issued 7,254,129 A ordinary shares of £0.0001 each for a total consideration of £725,412. The difference between the nominal value and consideration received has been credited to the share premium account.

12. Reserves

	Share premium account	Profit and loss account
	£	£
At 1 April 2015		323,986
Profit for the year		119,334
Premium on shares issued during the year	724,687	
	<u>724,687</u>	<u>443,320</u>
At 31 March 2016		

Notes to the Financial Statements

For the year ended 31 March 2016

13. Reconciliation of movement in shareholders' funds

	2016	2015
	£	£
Opening shareholders' funds	324,086	100
Profit for the financial year	119,334	323,986
Shares issued during the year	725	-
Share premium on shares issued (net of expenses)	724,687	-
Closing shareholders' funds	<u>1,168,832</u>	<u>324,086</u>

14. Contingent liabilities

There are no contingent liabilities at 31 March 2016 or 31 March 2015.

15. Capital commitments

There are no capital commitments at 31 March 2016 or at 31 March 2015.

16. Pension commitments

The company operates a defined contribution pension plan in the UK.

17. Operating lease commitments

At 31 March 2016 the company had annual commitments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Within 1 year	25,740	-
Between 2 and 5 years	17,160	-
After more than 5 years	-	-
Total	<u>42,900</u>	<u>-</u>