Company Registration No. 05490314 (England and Wales)

ACTIAN EUROPE LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018

ACTIAN EUROPE LIMITED

COMPANY INFORMATION

Directors	S Padgett M D Monahan
Company number	05490314
Registered office	Cannon Place 78 Cannon Street London EC4N 6AF
Auditor	RSM UK Audit LLP Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU
Business address	Axon Centre Church Road Egham Surrey TW20 9QB

ACTIAN EUROPE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

Principal activities and business review

The principal activity of the company during the year was the provision of business e-database management software and support services.

The directors are pleased to report another successful year of trading for the company. The company considers its key performance indicators to be revenue, net profits/losses and cash. Revenue for the year increased by 13.91% to £19,498,086 primarily due to an increase in licensing revenues in 2018 compared to 2017. Part of this increase was due to a non-recurring payment of £500,000 for the over deployment of licenses. Administrative expenses were flat during the year. Additionally, the Company paid a dividend of £2,000,000 to Actian Corporation during the course of the year.

On July 17, 2018 ("acquisition date"), the HCL Technologies SEP Holdings, Inc. ("Parent") acquired Actian Corporation for $300 million and together with its subsidiaries provides software solutions for enterprises. HCL Technologies Limited ("HCL"), a public company in India, has offices in 44 countries with a worldwide network of R&D, "innovation labs"; "delivery centers"; 120,000+ employees and its customers include 250 of the Fortune 500 and 650 of the Global 2000 companies. It operates across sectors including aerospace and defense, automotive, banking, capital markets, chemical and process industries, consumer goods, energy and utilities, healthcare, hi-tech, industrial manufacturing, insurance, life sciences, manufacturing, media and entertainment, mining and natural resources, oil and gas, retail, telecom, and travel, transportation, logistics & hospitality. HCL is on the Forbes Global 2000 list. It is among the top 20 largest publicly traded companies in India with a market capitalization of $18.7 billion as of May 2017. As of May 2018, HCL, along with its subsidiaries, reported consolidated revenue of $7.8billion. Sumeru Equity Partners ("SEP") is atechnology-focused, middle-market private equity firm founded in 2014 by an experienced group of investors and operators from Silver Lake Sumeru, a $1.1 billion fund started in 2007 within Silver Lake. Actian Corporation remains the immediate parent company of Actian Europe Limited.

The company operates in a dynamic, high-technology industry and believes that changes in any of the following areas could have a material adverse effect on the company's future financial position, results of operations and cash flows: ability to obtain additional financing; economic and/or political conditions or regulations; fundamental changes in the technology underlying the company's software products; market acceptance of the company's products under development; loss of significant customers; changes in the overall demand for products offered by the company; changes in certain strategic relationships or customer relationships; successful and timely completion of product development efforts; competitive pressures in the form of new product introductions by competitors or price reductions on current products; development of sales channels; failure to adequately protect the company's intellectual property; and the hiring, training, and retention of key employees.

The company sells the products developed by Actian Corporation, its parent company, and is dependent on access to these products to continue trading.

In order to mitigate the risk of fundamental changes in technologies underlying the company's products and to sustain its position within the market place, Actian Corporation continues to invest significantly in research and development to ensure that Actian Corporation and its subsidiaries, which includes Actian Europe Limited, are up to date with technological changes. Actian Corporation's ongoing research and development will result in continued enhancements to current versions of software products as well as the introduction of new versions of software that will be offered to current and potential new customers. Additionally, Actian Corporation decided in the fourth quarter of 2016 to reverse its decision to discontinue development and support of Vector products and instead continue offering support and new versions of the software on a go-forward basis.

The directors will continue to investigate and invest in new technology, and see this as an important safeguard for the future success of the company and expect the level of activity to continue.

In addition to this, the directors believe that the quality of the products offered and customer service will help mitigate further risks.

The company continues to be positive in its outlook for 2019.

Financial risk management objectives and policies
The company's overall risk management programme aims to minimise the potential unfavourable impact of external factors on its financial performance. The company does not engage in speculative transactions or transactions which are not related to its principal activity.

Management's financial risk management objectives are to:

- Retain sufficient liquid funds to enable it to meet its day-to-day obligations as they fall due while maximising returns on surplus funds. Management closely monitors performance and expected cash flows and takes a conservative planning approach; and

- Minimise the company's exposure to fluctuating exchange rates arising from the company's day-to-day operations. Exposure to exchange rate risk results primarily from international sales denominated in Euro and the United States dollar. Although the company does not currently engage in hedging transactions, there is some natural hedge resulting from international expenses.

Liquidity risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company finances through a mixture of retained profits and, where necessary, through intra group funding. Liquidity is closely monitored by management to ensure ongoing support for operations and adequate capital reserves. The company has no external borrowing.

On behalf of the board

....
M D Monahan
Director

Date: May 24, 2019

ACTIAN EUROPE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Directors

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

S Padgett	
G S Hampton	(Resigned 29 October 2018)
S Gisborn	(Resigned 29 October 2018)
G J Cannon	(Resigned 29 October 2018)
M D Monahan	(Appointed 29 October 2018)

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £2,000,000 (2017: £nil). The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

RSM UK Audit LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Matters of strategic importance

The directors have chosen in accordance with section 414C(11) of the Companies Act 2006 to include in the strategic report information in respect of business activities, risk and future developments as the directors consider these are of strategic importance to the company.

On behalf of the board

....

M D Monahan

Director

Date: May 24, 2019

ACTIAN EUROPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Strategic Report and 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIAN EUROPE LIMITED

Opinion

We have audited the financial statements of Actian Europe Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of income and retained earnings, the statement of financial position 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 31 December 2018 and of its profit for the year 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIAN EUROPE LIMITED (CONTINUED)

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 and the directors' report.

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.

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: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

RSM UK Audit LLP

Mayulee Pinkerton CA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire, RG1 3EU
28 May 2019

ACTIAN EUROPE LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	19,498,086	17,116,744
Cost of sales		(16,939,256)	(14,818,643)
Gross profit		2,558,830	2,298,101
Administrative expenses		(3,379,649)	(3,158,055)
Other operating income		1,442,634	1,308,069
Operating profit	6	621,815	448,115
Interest receivable and similar income	7	7,217	50,001
Interest payable and similar expenses	8	(9,112)	-
Profit before taxation		619,920	498,116
Tax on profit	9	(124,237)	(103,199)
Profit for the financial year		495,683	394,917
Retained earnings brought forward		2,001,638	1,606,721
Dividends	10	(2,000,000)	-
Retained earnings carried forward		497,321	2,001,638

The Income Statement has been prepared on the basis that all operations are continuing operations.

Company Registration No. 05490314

ACTIAN EUROPE LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	11		7,296		10,578
Tangible assets	12		48,542		125,624
			55,838		136,202
Current assets					
Debtors	13	11,043,307		4,155,681	
Cash at bank and in hand		1,758,877		7,047,030	
		12,802,184		11,202,711	
Creditors: amounts falling due within one year	14	(11,967,581)		(8,819,612)	
Net current assets			834,603		2,383,099
Total assets less current liabilities			890,441		2,519,301
Creditors: amounts falling due after more than one year	15		(260,196)		(517,662)
Provisions for liabilities	16		(132,923)		-
Net assets			497,322		2,001,639
Capital and reserves					
Called up share capital	19		1		1
Profit and loss reserves	20		497,321		2,001,638
Total equity			497,322		2,001,639

The financial statements were approved by the board of directors and authorised for issue on May 24, 2019 and are signed on its behalf by:

....
M D Monahan
Director

1 Accounting policies

Company information
Actian Europe Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The company's principal activities are set out in the Strategic Report on page 1.

Accounting convention
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 the requirements of the Companies Act 2006, including the provisions of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Garnett & Helfrich Capital LP. These consolidated financial statements are available from its registered office, 1875 South Grant Street, Suite 920, San Mateo, California 94402, United States of America.

1 Accounting policies (Continued)

Going concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis which has been used in the preparation of these financial statements. The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. Furthermore, the amounts due to creditors are stated in note 14 of these financial statements.

The current economic conditions do create uncertainty but the directors believe that the continued growth and profitability of the company will be sustained. The company's forecasts and projections for the years ending 31 December 2019, 31 December 2020 and beyond, taking account of risk factors and possible changes in trading performance, show that the company should be able to operate within the level of its current facilities.

In making this assessment the directors have considered the company's interaction with its parent company, Actian Corporation and, in particular, the expected inter-company revenues it will earn and costs it will incur through this relationship. The company sells the products developed by Actian Corporation and is dependent on access to these products to continue trading, Actian Corporation have confirmed that these products will remain available for the foreseeable future. Further, management has considered the recoverability of all inter-company receivables due to the company and concluded that they are presented at cost.

As a result, the directors have prepared the financial statements under the going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The company derives its revenue primarily from two sources:

(i) annual or multi-year subscriptions; and

(ii) fees for professional services, which include services performed in connection with time-and-materials based or fixed price consulting agreements and training.

Subscription revenue is recognised rateably over the life of the subscription.

Professional services and training revenues are recognised as the services are performed.

The company recognises other income on a comparable profit method recharge arrangement relating to engineers salaries and associated overheads who are employed by the company to work solely for, and at the direction of, Actian Corporation.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets over their useful lives on the following bases:

Software	3 years straight line

1 Accounting policies (Continued)

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

Depreciation is recognised so as to write off the cost of assets over their useful lives on the following bases:

Leasehold property	Over the term of the lease
Fixtures, fittings and equipment	Over the term of the lease
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks.

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 instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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 debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, and amounts due to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments
Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1 Accounting policies (Continued)

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Provisions
Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

1 Accounting policies (Continued)

Share-based payments
The company participates in a group share-based payment plan, and recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The allocation is based on the number of employees benefiting from the share-based payment plan employed by each group entity. The share based payment expense is recognised in the income statement as an expense with a corresponding credit to intercompany.

Leases
Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

Foreign exchange
Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

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.

The directors have considered whether any critical estimates of judgements have been made in the preparation of these financial statements and they believe there are none to note.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018	2017
	£	£
Turnover analysed by class of business		
Subscriptions	17,899,592	15,497,149
Professional services	1,598,494	1,619,595
	19,498,086	17,116,744

3 Turnover and other revenue (Continued)

	2018 £	2017 £
Other revenue		
Interest income	7,217	50,001
Intercompany revenues	1,442,634	1,308,069

	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	13,443,411	11,607,496
Europe	4,858,009	4,531,696
Rest of the world	1,196,666	977,552
	19,498,086	17,116,744

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Support and services	7	10
Research and development	6	7
Sales and marketing	4	2
General and administrative	3	4
	20	23

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,931,662	1,989,271
Social security costs	346,821	231,566
Pension costs	90,330	93,889
Equity-settled share-based payments	-	9,288
	2,368,813	2,324,014

Directors' remuneration in both years was borne by a parent undertaking, Actian Corporation. No amounts were received in respect of their services provided to this company.

5 Share-based payment transactions

Equity-settled share-based payments
Actian Corporation, the ultimate parent undertaking, operates an equity-settled share-based compensation plan (the Plan) for itself and its subsidiaries. The fair value of the employee services received in exchange for the grant of the options are recognised by the company as an expense in their respective income statement with a corresponding credit to intercompany.

Actian Corporation established the 2016 Equity Incentive Plan ("the Plan"), which provides for the grant of incentive stock and non-qualified stock options and the direct issuances of the company's stock. The Plan succeeded the Actian Corporation 2005 Plan which expired on 22 November 2015. The Board of Directors of Actian Corporation has the authority to approve grants of options and the issuances of stock to employees and other service providers and approve the terms of each option and issuance, including (i) the number of shares of Common Stock issuable upon exercise of the option; (ii) when the option becomes exercisable; (iii) the option exercise price, which in the case of incentive stock options, must be at least 100% (110% in the case of incentive stock options granted to a shareholder owning in excess of 10% of the company's Common Stock) of the fair market value of the Common Stock as of the date of grant; and (iv) the duration of the option (which, in the case of incentive stock options, may not exceed 10 years). Options granted under the Plan vest over various periods and expire no later than 10 years from the date of grant.

The scheme was closed in the year and all options were settled as a result.

Total expenses of £nil (2017: £9,288) related to equity settled share based payment transactions were recognised in the year.

6 Operating profit

Operating profit for the year is stated after charging/(crediting):	2018 £	2017 £
Exchange (gains)/losses	(86,908)	55,744
Fees payable to the company's auditor for the audit of the company's financial statements	29,000	28,750
Depreciation of owned tangible fixed assets	101,290	144,603
Loss/(profit) on disposal of tangible fixed assets	13,539	(104)
Amortisation of intangible assets	6,073	7,314
Share-based payments	-	9,288
Operating lease charges	85,925	50,441

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a gain of £86,908 (2017 - a loss of £55,744).

7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	6,455	1,589
Interest receivable from group companies	762	48,412
	7,217	50,001

8 Interest payable and similar expenses

	2018	2017
	£	£
Interest payable to group undertakings	9,112	-

9 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	129,195	119,010
Adjustments in respect of prior periods	(1,771)	(5,276)
Double tax relief	(24,348)	(22,025)
Total UK current tax	103,076	91,709
Foreign current tax on profits for the current period	24,348	22,025
Total current tax	127,424	113,734
Deferred tax		
Origination and reversal of timing differences	(3,805)	(14,009)
Adjustment in respect of prior periods	618	3,474
Total deferred tax	(3,187)	(10,535)
Total tax charge	124,237	103,199

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2018	2017
	£	£
Profit before taxation	619,920	498,116
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	117,785	95,887
Tax effect of expenses that are not deductible in determining taxable profit	58,965	318
Adjustments in respect of prior years	(1,771)	-
Effect of change in corporation tax rate	(540)	(5,116)
Permanent capital allowances in excess of depreciation	6,555	6,528
Deferred tax adjustments in respect of prior years	618	3,474
Effect of change in deferred tax rate	(57,375)	1,902
Deferred tax not recognised	-	206
Taxation charge for the year	124,237	103,199

9 Taxation (Continued)

Reductions in the UK corporation tax rate to 17% (effective from 1 April 2020) have been substantively enacted. These changes will reduce the company's future current tax charge accordingly.

10 Dividends

	2018	2017
	£	£
Interim paid	2,000,000	-

11 Intangible fixed assets

	Software
	£
Cost	
At 1 January 2018	54,599
Additions - separately acquired	2,791
At 31 December 2018	57,390
Amortisation and impairment	
At 1 January 2018	44,021
Amortisation charged for the year	6,073
At 31 December 2018	50,094
Carrying amount	
At 31 December 2018	7,296
At 31 December 2017	10,578

The amortisation charge for the year is included in administrative expenses.

12 Tangible fixed assets

	Leasehold property	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2018	219,873	18,888	865,616	1,104,377
Additions	3,320	5,772	28,655	37,747
Disposals	(219,873)	(18,354)	(298,195)	(536,422)
At 31 December 2018	3,320	6,306	596,076	605,702
Depreciation and impairment				
At 1 January 2018	185,484	17,786	775,483	978,753
Depreciation charged in the year	25,329	1,294	74,667	101,290
Eliminated in respect of disposals	(210,702)	(18,354)	(293,827)	(522,883)
At 31 December 2018	111	726	556,323	557,160
Carrying amount				
At 31 December 2018	3,209	5,580	39,753	48,542
At 31 December 2017	34,389	1,102	90,133	125,624

13 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	5,891,617	2,813,407
Amounts owed by group undertakings	4,958,019	1,182,294
Other debtors	62,293	59,104
Prepayments and accrued income	108,807	81,492
	11,020,736	4,136,297
Deferred tax asset (note 17)	22,571	19,384
	11,043,307	4,155,681

Amounts owed by group undertakings above totalling £4,958,019 (2017: £1,182,294) includes a creditor balance due to the parent company representing advances made to fund the group's ongoing development and working capital needs. Interest was due on the balance at 1.44% (2017: 1.24%). The balance is unsecured and has no fixed repayment schedule.

14 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	52,240	9,006
Corporation tax	43,070	56,879
Other taxation and social security	502,319	148,648
Deferred income	10,785,262	8,265,307
Other creditors	-	8,957
Accruals	584,690	330,815
	11,967,581	8,819,612

15 Deferred income and creditors: amounts falling due after more than one year

	2018	2017
	£	£
Accruals and deferred income	260,196	517,662

16 Provisions for liabilities

	2018	2017
	£	£
Onerous lease provision	132,923	-

Movements on provisions:

	Onerous lease provision
	£
Additional provisions in the year	132,923

In November 2018, the company vacated its previous leasehold premises. The lease agreement expires in March 2019 and therefore the onerous lease provision represents the total expected committed costs in relation to the expiry of the lease.

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Assets 2018 £	Assets 2017 £
Excess of depreciation over taxation allowances	22,029	17,861
Other timing differences	542	1,523
	22,571	19,384

Movements in the year:	2018 £
Asset at 1 January 2018	(19,384)
Credit to profit or loss	(3,187)
Asset at 31 December 2018	(22,571)

The deferred tax asset of £22,571 (2017: £19,384) is expected to reverse within 12 months.

There is also an unrecognised deferred tax asset of £nil (2017: £496,081) relating to timing differences which has not been recognised as the directors do not believe it will be utilised in the foreseeable future.

18 Retirement benefit schemes

Defined contribution schemes	2018 £	2017 £
Charge to profit or loss in respect of defined contribution schemes	90,330	93,889

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end, contributions totaling £3,189 were paid in advance and are included in debtors due within one year (2017: contributions of £8,957 were outstanding and included within creditors due within one year).

19 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of 1p each	1	1
	1	1

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

20 Reserves

Profit and loss reserves
Cumulative profit and loss net of distributions to owners.

21 Operating lease commitments

Lessee
The company has a policy of leasing various land and buildings under operating lease agreements.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	27,075	102,583
Between one and five years	-	27,075
	27,075	129,658

22 Controlling party

The directors consider the immediate parent company to be Actian International, Inc (registered office: 2300 Geng Road, Suite 150, Palo Alto, California, 94303, United States of America).

The directors consider the ultimate parent undertaking, and smallest and largest group for which consolidated financial statements are prepared, to be HCL Technologies SEP Holdings, Inc. (registered office: 251 Little Falls Drive, Wilmington, Delaware 19808, United States of America).

The directors consider there to be no ultimate controlling individual.

ACTIAN EUROPE LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2018

THE FOLLOWING PAGES DO NOT FORM PART OF THE FINANCIAL STATEMENTS

ACTIAN EUROPE LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

		2018		2017
	£	£	£	£
Turnover				
Sales of services		19,498,086		17,116,744
Cost of sales				
Royalties payable	75,240		98,785	
Intercompany	16,863,667		14,719,475	
Legal and professional fees	349		383	
		(16,939,256)		(14,818,643)
Gross profit	13.12%	2,558,830	13.43%	2,298,101
Other operating income				
Other income	-		9,250	
Intercompany revenue	1,442,634		1,298,819	
		1,442,634		1,308,069
Administrative expenses		(3,379,649)		(3,158,055)
Operating profit		621,815		448,115
Investment revenues				
Interest receivable from group companies	762		48,412	
Bank interest received	6,455		1,589	
		7,217		50,001
Interest payable and similar expenses				
Interest payable to group companies		(9,112)		-
Profit before taxation	3.18%	619,920	2.91%	498,116

ACTIAN EUROPE LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Administrative expenses		
Wages and salaries	1,931,662	1,989,271
Social security costs	346,821	231,566
Employee insurance	15,151	14,357
Staff welfare	25,316	36,174
Staff training	7,222	34,243
Staff pension costs defined contribution	90,330	93,889
Equity settled share based payment costs	-	9,288
Rent re operating leases	85,925	50,441
Rates	177,585	37,230
Repairs and maintenance	200,396	163,563
Insurance	5,000	5,299
Hire of equipment	329	-
Travelling expenses	106,960	92,584
Professional subscriptions	1,171	980
Legal and professional fees	20,484	13,214
Consultancy fees	-	24,273
Accountancy	27,512	19,733
Audit fees	29,000	28,750
Bank charges	2,086	4,596
Bad and doubtful debts	-	(12,587)
Printing and stationery	22,010	14,012
Advertising	177,387	55,113
Telecommunications	41,321	44,430
Sundry expenses	31,987	79
Amortisation	6,073	7,314
Depreciation	101,290	144,603
Loss/(Profit) on disposal of tangible assets	13,539	(104)
(Profit)/Loss on foreign exchange	(86,908)	55,744
	3,379,649	3,158,055