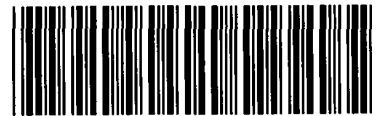


Registered number: 3867924

TITIAN SOFTWARE LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

TUESDAY



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TITIAN SOFTWARE LIMITED

COMPANY INFORMATION

Director	E C L Wilson
Registered number	3867924
Registered office	2 Newhams Row London SE1 3UZ
Independent auditors	Berg Kaprow Lewis LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW

TITIAN SOFTWARE LIMITED

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TITIAN SOFTWARE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

Introduction

The principal activity of the company continued to be that of the provision of software development and consultancy services to pharmaceutical and life science companies' research and development departments.

The company has three main sources of revenue:

- Sale of licences for the use of the Mosaic software;
- Implementation services, which involves configuring the Mosaic software to the customers' specific needs and deploying the software; and
- Support and maintenance of the software.

Business review

2017 has been another successful year for the company. We have again won a number of new customers in addition to work in new sites and new groups for existing customers. We have been pleased with the adoption of both our new Mosaic FreezerManagement and Mosaic SampleBank products. 2017 also saw the first deployment of Mosaic to an agrosience company.

The Mosaic product has continued to be extended across the board, with Mosaic 7.0 released during the year, and work continuing on Mosaic 8.0.

Principal risks and uncertainties

The principal risks to the business are as follows:

- Predicting how long the development of new software will take is an inexact science. Titian manages this risk by using an Agile software development method to give more visibility of progress and hence predictability for delivery dates.
- Sales cycles are long, and forecasting the likelihood of sales being successfully made and the dates of those sales is challenging. Moreover, there is often uncertainty within the market in which Titian operates relating to customer consolidation and customers' budgets.
- While Titian is the leading supplier of software for Compound Management for large life sciences companies, there are many competitors in the market for Biological Sample Management, and various competitors serving smaller life science companies.
- Titian has many skilled and knowledgeable staff, and retaining these staff is of paramount importance.

Financial key performance indicators

The financial key performance indicators that are important to our business are turnover and profitability.

Turnover during the year ended 31 March 2017 was £7.8m (2016: £7.5m). Profits before tax for the year were £536,294 (2016: £459,636).

The director is satisfied with the performance of the company this year.

Staff and suppliers

The director would like to take this opportunity to thank the staff and key suppliers for the professionalism and dedication they have shown this year. Without them the company would not have achieved this success and strong reputation.

TITIAN SOFTWARE LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

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



.....
E C L Wilson
Director

Date: 30/11/2017

TITIAN SOFTWARE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2017

The director presents his report and the financial statements for the year ended 31 March 2017.

Director's responsibilities statement

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that he gives 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Results and dividends

The profit for the year, after taxation, amounted to £870,063 (2016 - £385,618).

No final dividend has been proposed.

Director

The director who served during the year was:

E C L Wilson

Future developments

The director is confident of the continued success of the company, indeed sales have been strong since the end of the 2017 financial year.

TITIAN SOFTWARE LIMITED

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he 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 auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Berg Kaprow Lewis LLP will be deemed to have been reappointed as auditors 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.

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



.....
E C L Wilson
Director

Date: 30/11/2017

TITIAN SOFTWARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TITIAN SOFTWARE LIMITED

We have audited the financial statements of Titian Software Limited for the year ended 31 March 2017, set out on pages 7 to 24. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 Director's Responsibilities Statement on page 3, the director is 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 Financial Reporting Council'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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Director's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications 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 March 2017 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.

TITIAN SOFTWARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TITIAN SOFTWARE LIMITED
(CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

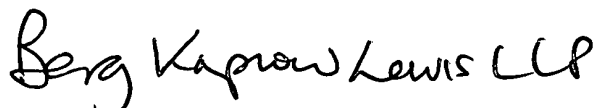
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 Director's Report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Howard Graff FCA (Senior Statutory Auditor)

for and on behalf of
Berg Kaprow Lewis LLP

Chartered Accountants
Statutory Auditor

London

Date: 18/12/17

TITIAN SOFTWARE LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover	4	7,822,857	7,490,321
Cost of sales		<u>(5,667,802)</u>	<u>(5,603,584)</u>
Gross profit		2,155,055	1,886,737
Administrative expenses		<u>(1,629,764)</u>	<u>(1,539,697)</u>
Operating profit	5	525,291	347,040
Income from fixed assets investments		-	107,394
Interest receivable and similar income	10	<u>11,003</u>	<u>5,202</u>
Profit before tax		536,294	459,636
Tax on profit	11	<u>333,769</u>	<u>(74,018)</u>
Profit after tax		870,063	385,618
Retained earnings at the beginning of the year		1,125,074	739,456
Profit for the year		<u>870,063</u>	<u>385,618</u>
Retained earnings at the end of the year		1,995,137	1,125,074

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

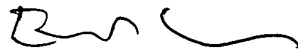
The notes on pages 9 to 24 form part of these financial statements.

TITIAN SOFTWARE LIMITED
REGISTERED NUMBER: 3867924

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	12	255,959	279,033
Tangible assets	13	101,941	88,802
Investments	14	879	1
		358,779	367,836
Current assets			
Debtors	15	2,264,690	2,010,501
Cash at bank and in hand	16	3,374,578	2,135,099
		5,639,268	4,145,600
Creditors: amounts falling due within one year	17	(4,002,908)	(3,388,360)
Net current assets		1,636,360	757,240
Total assets less current liabilities		1,995,139	1,125,076
Net assets		1,995,139	1,125,076
Capital and reserves			
Called up share capital	19	2	2
Profit and loss account	20	1,995,137	1,125,074
		1,995,139	1,125,076

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



.....
E C L Wilson
 Director

Date: 30/11/2017

The notes on pages 9 to 24 form part of these financial statements.

TITIAN SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Titian Software Limited ("the company") provides software development and consultancy services to pharmaceutical and life sciences companies' research and development departments.

The company is a private company limited by shares and is incorporated in England and Wales.

The principal place of business is 2 Newhams Row, London, SE1 3UZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented unless stated otherwise.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the 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 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Titian Software Holdings Limited as at 31 March 2017 and these financial statements may be obtained from 2 Newhams Row, London, SE1 3UZ.

2.3 Exemption from preparing consolidated financial statements

The company is a subsidiary of Titian Software Holdings Limited. It is included in the consolidated financial statements of Titian Software Holdings Limited which are publicly available. Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

TITIAN SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue on software and licences is recognised by reference to the stage of completion of the contract, including work under warranties where part of the contract. As shown in note 3, calculating the stage of completion involves estimating the future time to complete such contracts. In making this judgement, appropriate and prudent adjustments are made to these time estimates based on the company's past experience. For loss-making projects, the anticipated loss is recognised immediately in full.

Revenue on maintenance contracts is recognised over the period that the services is provided.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development expenditure is written off to the profit and loss account in the year in which it is incurred unless the director is satisfied in relation to certain development activity as to the technical, commercial and financial viability of such projects. In this situation, the expenditure is deferred and amortised over the period which the company is expected to benefit.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Furniture, fittings and equipment-	15% to 67%	Straight line
Computer equipment	-	33% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment (if any).

TITIAN SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions that result in the recognition of financial assets and liabilities.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities.

(i) Financial assets

Basic financial assets, including trade and other debtors, amounts owed by group undertakings and accrued income, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, loans from fellow group companies and accruals 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 receipts discounted at a market rate of interest.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(iii) Offsetting

Financial assets and liabilities are offset and 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.*

TITIAN SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pound Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

2.11 Operating leases

Rentals paid under operating leases are charged to the Income Statement 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 end of the lease term.

2.12 Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

These contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.13 Annual leave accrual

Employees have an annual leave allowance which they can take at times of their choosing over the year, and the company's year end for the purposes of the annual leave allowance is different from the Statement of Financial Position date. This means that at the Statement of Financial Position date employees may have taken more or less of their annual leave allowance than they have accrued. An asset or liability is recognised in relation to this, measured at the undiscounted salary cost of the future annual leave entitlement at the Statement of Financial Position date.

2.14 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

TITIAN SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.15 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.16 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their estimated useful economic life of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

TITIAN SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Accrued and deferred income

The calculation of accrued and deferred income for the company's software development projects in progress involves the estimation of significant components of the necessary calculations. These are as follows:

i) Stage of completion

The Company's management make estimations of the number of hours left to complete each individual project. The stage of completion as at the date of each set of financial statements is taken as the proportion of time spent on that project to date compared with the estimate of total time to be spent.

ii) Cost per hour

A value is given to the cost of each hour of time spent on a project by the Company's staff. This estimate is based on the Company's staff salaries and relevant related overhead costs.

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the tangible fixed assets and note 2.5 for the data relating to the useful economic lives for each class of assets.

4. Turnover

The whole of the turnover is attributable to the provision of software development, licences, support, maintenance and consultancy services to pharmaceutical and life science companies' research and development departments.

86% of the company's turnover (2016: 86%) is attributable to geographical markets outside the United Kingdom.

53% of the company's turnover (2016: 43%) relates to sales of licences and services, 46% (2016: 31%) relates to support and maintenance contracts and 1% (2016 1%) relates to the recharge of travel and other expenses to customers.

TITIAN SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	53,624	36,788
Amortisation of intangible assets, including goodwill	197,738	298,304
Exchange differences	(82,212)	7,521
Other operating lease rentals	182,117	171,741
Defined contribution pension cost	222,473	219,690
	222,473	219,690

6. Auditors' remuneration

	2017	2016
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	20,000	23,300
Fees payable to the Company's auditor and its associates in respect of:		
All other non-audit services not included above	32,146	36,526
	32,146	36,526

7. Employees

Staff costs, including director's remuneration, were as follows:

	2017	2016
	£	£
Wages and salaries	3,357,539	3,242,203
Social security costs	397,959	407,341
Cost of defined contribution scheme	222,473	219,690
	3,977,971	3,869,234

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

	2017	2016
	No.	No.
Average Staff	63	69
	63	69

TITIAN SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Director's remuneration

	2017 £	2016 £
Director's emoluments	116,750	114,200
Company contributions to defined contribution pension schemes	23,350	22,840
	<u>140,100</u>	<u>137,040</u>

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

9. Income from investments

	2017 £	2016 £
Dividends received from Titian US Inc	-	107,394
	<u>-</u>	<u>107,394</u>

10. Interest receivable

	2017 £	2016 £
Interest receivable from group companies	8,243	3,653
Other interest receivable	2,760	1,549
	<u>11,003</u>	<u>5,202</u>

TITIAN SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

11. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	104,368	50,392
R&D tax credit in respect of previous periods	(442,412)	-
	<u>(338,044)</u>	<u>50,392</u>
Foreign tax		
Foreign tax on income for the year	4,275	4,733
Total current tax	<u>(333,769)</u>	<u>55,125</u>
Deferred tax		
Origination and reversal of timing differences	-	18,893
Total deferred tax	<u>-</u>	<u>18,893</u>
Taxation on (loss)/profit on ordinary activities	<u>(333,769)</u>	<u>74,018</u>

TITIAN SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>536,294</u>	<u>459,635</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	107,259	91,927
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	762	1,239
Research & Development tax credit in respect of prior periods	(442,412)	-
Adjustments to tax charge in respect of prior periods	-	1,041
Deferred tax not recognised	(2,797)	1,169
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(41,318)
Foreign tax on income	4,275	4,733
Other differences leading to an increase (decrease) in the tax charge	(856)	15,227
Total tax charge for the year	<u>(333,769)</u>	<u>74,018</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

TITIAN SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

12. Intangible assets

	Develop- ment £
Cost	
At 1 April 2016	418,550
Additions - internal	174,664
At 31 March 2017	<u>593,214</u>
Amortisation	
At 1 April 2016	139,517
Charge for the year	197,738
At 31 March 2017	<u>337,255</u>
Net book value	
At 31 March 2017	<u>255,959</u>
<i>At 31 March 2016</i>	<u>279,033</u>

TITIAN SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. Tangible fixed assets

	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2016	159,435	145,924	305,359
Additions	1,291	65,470	66,761
At 31 March 2017	<u>160,726</u>	<u>211,394</u>	<u>372,120</u>
Depreciation			
At 1 April 2016	103,546	113,010	216,556
Charge for the year on owned assets	20,668	32,956	53,624
At 31 March 2017	<u>124,214</u>	<u>145,966</u>	<u>270,180</u>
Net book value			
At 31 March 2017	<u>36,512</u>	<u>65,428</u>	<u>101,940</u>
At 31 March 2016	<u>55,889</u>	<u>32,914</u>	<u>88,803</u>

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	1
Additions	878
At 31 March 2017	<u>879</u>
Net book value	
At 31 March 2017	<u>879</u>
At 31 March 2016	<u>1</u>

TITIAN SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Titian Software US Inc	Ordinary	100 %	Sales, support and consultancy services to clients of Titian Software Ltd
Titian Software Poland z.o.o	Ordinary	100 %	Software development, support, maintenance and consultancy services to clients of Titian Software Ltd

The registered office of Titian US Inc is 1500 West Park Drive, Westborough, MA 01581, USA

The registered office of Titian Software Poland z.o.o is Grabiszynska 241a, 53-234 Wroclaw, Poland

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Titian Software US Inc	158,656	(47,476)
Titian Software Poland z.o.o	9,320	9,312
Total	167,976	(38,164)

TITIAN SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

15. Debtors

	2017 £	2016 £
Trade debtors	858,368	1,172,242
Amounts owed by group undertakings	352,673	153,435
Other debtors	23,689	23,278
Prepayments and accrued income	596,013	503,345
Tax recoverable	433,947	158,198
	<u>2,264,690</u>	<u>2,010,498</u>

16. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	3,374,578	2,135,099
	<u>3,374,578</u>	<u>2,135,099</u>

17. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	128,637	156,920
Amounts owed to group undertakings	252,854	131,937
Other taxation and social security	128,564	112,088
Other creditors	9,242	6,706
Accruals and deferred income	3,483,611	2,980,710
	<u>4,002,908</u>	<u>3,388,361</u>

TITIAN SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

18. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,687,247</u>	<u>1,738,705</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(953,048)</u>	<u>(947,344)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group undertakings and accruals.

19. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

20. Reserves

Profit and loss account

Includes all current period retained profits and losses.

21. Contingent Asset: Research & Development Tax Credit

As shown in note 11, during the year the company received £442,412 as a result of its claim for Corporation Tax R&D Tax Credit for accounting years ended 31st March 2015 and 2016. The company intends to make a further claim for R&D Tax Credit for the year ended 31st March 2017 but due to pressure of work the necessary project and cost analyses for the claim have not been completed. Whilst the director anticipates that the March 2017 claim will be successful it is not possible at this stage to estimate with reasonable certainty the quantum of the claim and in the circumstances no amount has been included as a receivable amount in these accounts.

TITIAN SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £222,473 (2016: £219,690) Contributions totalling £21,212 (2016: £19,820) were payable to the fund at the Statement of Financial Position date and are included in creditors.

23. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	196,161	173,541
Later than 1 year and not later than 5 years	380,000	576,833
	<u>576,161</u>	<u>750,374</u>

24. Related party transactions

Where possible the Company has taken advantage of the exemption conferred by section 33.1A of FRS 102 from the requirement to disclose transactions with other wholly owned group undertakings on the grounds that consolidated financial statements are prepared by the immediate parent company and are publicly available.

25. Controlling party

The ultimate parent undertaking is Titian Software Holdings Ltd. The ultimate controlling party is E C L Wilson, a director.