

Company Registration No. 05490314 (England and Wales)

**ACTIAN EUROPE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**

# ACTIAN EUROPE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	S Padgett M D Monahan M C Ribeiro
<b>Company number</b>	05490314
<b>Registered office</b>	Cannon Place 78 Cannon Street London EC4N 6AF
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU

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# **ACTIAN EUROPE LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present the strategic report for the year ended 31 December 2021.

#### **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 and cash. Revenue for the year increased by 30.45% to £29,641,304 (2020: £22,721,581). Part of this increase was directly related to doing larger deals with existing customers, of which one deal increased by roughly £6 million from the prior year. Administrative expenses for the year decreased by 12.68%. Net profit for the year was £409,268, an improvement on the previous year's profits of £166,865. Cash at the end of the year was £4,257,009 (2020: £4,276,193).

#### **Principal risks and uncertainties**

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.

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 2022.

# **ACTIAN EUROPE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Strategy, business model and future developments**

The company has focused on expanding its footprint with existing customers in the current year and expanding that footprint with additional products. As such this has led to increased sales with entities such as department for work and pensions. This drove the majority of the increase of the amounts in accounts receivable and deferred revenue. This contract was roughly three times bigger than the prior year's contract. The company will continue to focus on expanding our footprint with existing customers while introducing new products.

In addition, the higher revenue and higher operating profit in 2021 resulted in higher transfer pricing amounts for intercompany expenses for the company, which is the primary cause of the increase of intercompany payable in 2021.

#### **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 20, 2022

# **ACTIAN EUROPE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **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  
M D Monahan  
M C Ribeiro

#### **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

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M D Monahan

**Director**

Date: May 20, 2022 .....

# **ACTIAN EUROPE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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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

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## Opinion

We have audited the financial statements of Actian Europe Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of income and retained earnings, the statement of financial position and notes to the financial statements, including 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## 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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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)**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

### **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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.



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

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls and revenue cut-off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, and reviewing a sample of transactions either side of the year end to ensure that revenue had been recognized in the correct accounting period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

### 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.

*Mayulee Pinkerton*

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  
26 May 2022

# ACTIAN EUROPE LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2021

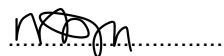
	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	29,641,304	22,721,581
Cost of sales		(27,153,198)	(20,129,599)
<b>Gross profit</b>		2,488,106	2,591,982
Administrative expenses		(3,273,608)	(3,748,959)
Other operating income		1,323,730	1,399,119
<b>Operating profit</b>	<b>5</b>	538,228	242,142
Interest receivable and similar income	<b>6</b>	-	1
Interest payable and similar expenses	<b>7</b>	(37,528)	(18,749)
<b>Profit before taxation</b>		500,700	223,394
Tax on profit	<b>8</b>	(91,432)	(56,529)
<b>Profit for the financial year</b>		409,268	166,865
Retained earnings brought forward		929,968	763,103
Retained earnings carried forward		1,339,236	929,968

The income statement has been prepared on the basis that all operations are continuing operations.

**ACTIAN EUROPE LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	9		-		620
Tangible assets	10		79,829		168,528
			<u>79,829</u>		<u>169,148</u>
<b>Current assets</b>					
Debtors	11	13,172,773		5,234,172	
Cash at bank and in hand		4,257,009		4,276,193	
		<u>17,429,782</u>		<u>9,510,365</u>	
<b>Creditors: amounts falling due within one year</b>	12	(15,947,576)		(8,002,564)	
<b>Net current assets</b>			<u>1,482,206</u>		<u>1,507,801</u>
<b>Total assets less current liabilities</b>			<u>1,562,035</u>		<u>1,676,949</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(222,798)		(649,698)
<b>Provisions for liabilities</b>	14		-		(97,282)
<b>Net assets</b>			<u><u>1,339,237</u></u>		<u><u>929,969</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		1		1
Profit and loss reserves	18		1,339,236		929,968
<b>Total equity</b>			<u><u>1,339,237</u></u>		<u><u>929,969</u></u>

The financial statements were approved by the board of directors and authorised for issue on May 20, 2022 and are signed on its behalf by:



M D Monahan  
Director

# ACTIAN EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- 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 Actian Corporation. These consolidated financial statements are available from its registered office, 2300 Geng Road, Suite 150, Palo Alto, California, 94303, United States of America.

#### 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 12 of these financial statements.

The current economic conditions including the recent events surrounding COVID-19 do create uncertainty but the directors believe that the continued profitability of the company will be sustained.

In making this assessment the directors have considered the company's interaction with its parent company, Actian Corporation and in particular, Actian Corporation has confirmed its intention to continue to provide commercial and financial support, including access to products developed by Actian Corporation, and to provide sufficient funds to ensure that the company is able to meet normal trading liabilities as they fall due for a period of at least 12 months from the date of signing of these financial statements.

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

# ACTIAN EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### 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 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, also known as term-based licences, consists of access rights to the software (the licence) for a specific term and the customer support service over that specific term. The licence revenue is recognised upon the later of (i) delivery of the software license to the customer or (ii) the beginning of the period during which the customer is able to use and benefit from the license i.e. the start of the license term.

License revenue related to the renewal of its software license is recognised at the start of the renewal period.

The customer support service revenue is recognised on a straight-line basis over the service contract term.

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.

The revenue recognition policy has been revised in the current year as it was previously incorrect, with further details provided in note .

#### 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
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# **ACTIAN EUROPE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **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.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **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 transaction costs.

# **ACTIAN EUROPE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **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.

# ACTION EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies (Continued)

#### 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:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Subscriptions	26,601,479	20,111,955
Professional services	3,039,825	2,609,626
	<u>29,641,304</u>	<u>22,721,581</u>
	2021 £	2020 £
<b>Other revenue</b>		
Interest income	-	1
Intercompany revenues	<u>1,323,730</u>	<u>986,767</u>



# ACTIAN EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Turnover and other revenue (Continued)

	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	21,564,541	12,720,852
Europe	5,599,947	7,245,259
Rest of the world	2,476,816	2,755,470
	<u>29,641,304</u>	<u>22,721,581</u>

### 4 Employees

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

	2021 Number	2020 Number
Support and services	13	13
Research and development	3	2
Sales and marketing	5	5
General and administrative	3	3
Total	<u>24</u>	<u>23</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	2,430,048	2,437,960
Social security costs	279,112	264,463
Pension costs	127,848	120,676
	<u>2,837,008</u>	<u>2,823,099</u>

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.

# ACTIAN EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(414)	182,709
Fees payable to the company's auditor for the audit of the company's financial statements	35,000	32,500
Depreciation of owned tangible fixed assets	89,483	89,757
Loss/(profit) on disposal of tangible fixed assets	4,451	(4,940)
Amortisation of intangible assets	388	930
Loss on disposal of intangible assets	232	-
Operating lease charges	281	248,520
	<u>          </u>	<u>          </u>

### 6 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	-	1
	<u>          </u>	<u>          </u>

### 7 Interest payable and similar expenses

	2021 £	2020 £
Interest payable to group undertakings	37,468	18,664
Other interest	60	85
	<u>          </u>	<u>          </u>
	37,528	18,749
	<u>          </u>	<u>          </u>

### 8 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	105,296	44,906
Adjustments in respect of prior periods	170	(1,068)
Double tax relief	-	(26,495)
	<u>          </u>	<u>          </u>
Total UK current tax	105,466	17,343
Foreign current tax on profits for the current period	-	26,495
	<u>          </u>	<u>          </u>
Total current tax	105,466	43,838
	<u>          </u>	<u>          </u>

# ACTIAN EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Taxation (Continued)

#### Deferred tax

Origination and reversal of timing differences	(13,344)	14,585
Changes in tax rates	(521)	(1,692)
Adjustment in respect of prior periods	(169)	(202)
	<u>          </u>	<u>          </u>
Total deferred tax	(14,034)	12,691
	<u>          </u>	<u>          </u>
Total tax charge	91,432	56,529
	<u>          </u>	<u>          </u>

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:

	2021 £	2020 £
Profit before taxation	500,700	223,394
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	95,133	42,445
Tax effect of expenses that are not deductible in determining taxable profit	97	215
Adjustments in respect of prior years	171	(1,068)
Permanent capital allowances in excess of depreciation	(76)	16,830
Deferred tax adjustments in respect of prior years	(169)	(202)
Effect of change in deferred tax rate	(3,724)	(1,691)
	<u>          </u>	<u>          </u>
Taxation charge for the year	91,432	56,529
	<u>          </u>	<u>          </u>

In March 2021 the Chancellor announced that the corporation tax rate would increase to 25% in the year 2023, and this was substantively enacted before the reporting date therefore has been used in the measurement of deferred tax.

# ACTIAN EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Intangible fixed assets

	Software £
<b>Cost</b>	
At 1 January 2021	20,471
Disposals	(2,790)
	<hr/>
At 31 December 2021	17,681
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2021	19,851
Amortisation charged for the year	388
Disposals	(2,558)
	<hr/>
At 31 December 2021	17,681
	<hr/>
<b>Carrying amount</b>	
At 31 December 2021	-
	<hr/> <hr/>
At 31 December 2020	620
	<hr/> <hr/>

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

### 10 Tangible fixed assets

	Leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2021	3,320	6,306	625,308	634,934
Additions	-	-	7,669	7,669
Disposals	(3,320)	(5,771)	(52,992)	(62,083)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	-	535	579,985	580,520
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation and impairment</b>				
At 1 January 2021	1,439	3,036	461,931	466,406
Depreciation charged in the year	221	481	88,781	89,483
Eliminated in respect of disposals	(1,660)	(2,982)	(50,556)	(55,198)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	-	535	500,156	500,691
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>				
At 31 December 2021	-	-	79,829	79,829
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2020	1,881	3,270	163,377	168,528
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The depreciation charge on tangible assets for the year is charged to administrative expenses.

# ACTIAN EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	7,805,686	3,558,735
Amounts owed by group undertakings	-	1,116,773
Other debtors	3,150	3,150
Prepayments and accrued income	5,348,420	554,031
	<u>13,157,256</u>	<u>5,232,689</u>
Deferred tax asset (note 15)	15,517	1,483
	<u>13,172,773</u>	<u>5,234,172</u>

### 12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	9,855	1,995
Amounts owed to group undertakings	6,744,135	-
Corporation tax	68,735	5,775
Other taxation and social security	911,311	1,773,845
Deferred income	7,747,160	5,863,413
Accruals and deferred income	466,380	357,536
	<u>15,947,576</u>	<u>8,002,564</u>

Amounts owed to group undertakings above 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 0.75% (2020: 0.37%). The balance is unsecured and has no fixed repayment schedule. In the prior year, this creditor balance was offset against amounts owed by group undertakings and was included within debtors: amounts falling due within one year, above.

### 13 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Deferred income	<u>222,798</u>	<u>649,698</u>

# ACTIAN EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Provisions for liabilities

	2021 £	2020 £
Onerous lease provision	-	97,282
Movements on provisions:		
		<b>Onerous lease provision £</b>
At 1 January 2021		(97,282)
Utilisation of provision		97,282
At 31 December 2021		-

In the prior year, the company vacated its previous leasehold premises. The lease agreement expired in August 2021 and therefore the onerous lease provision represented the total committed costs in relation to the expiry of the lease.

### 15 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:

	<b>Assets 2021 £</b>	<b>Assets 2020 £</b>
<b>Balances:</b>		
Excess of depreciation over taxation allowances	15,517	1,483
<b>Movements in the year:</b>		<b>2021 £</b>
Asset at 1 January 2021		(1,483)
Credit to profit or loss		(14,034)
Asset at 31 December 2021		(15,517)

The deferred tax asset of £15,517 (2020: £1,483) is expected to reverse within 12 months.

# ACTIAN EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 16 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	127,848	120,676

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, no contributions were outstanding (2020: £nil).

### 17 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of 1p each	100	100	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.

### 18 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

### 19 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:

	2021 £	2020 £
Within one year	-	98,220

The company vacated its leasehold premises in December 2020.

### 20 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

# **ACTIAN EUROPE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **20 Related party transactions (Continued)**

	<b>Rent</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fellow group companies	90,070	157,662

### **21 Ultimate 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 smallest group preparing consolidated financial statements including the results of this company is Actian Corporation, a copy incorporated in the United States of America. Group financial statements can be obtained from their registered office: 2300 Geng Road, Suite 150, Palo Alto, California, 94303, United States of America.

The directors consider the ultimate parent undertaking, and largest group for which consolidated financial statements are prepared, to be HCL Technologies Limited, a company incorporated in India. Group financial statements can be obtained from their registered office: 806, Siddharth 96 Nehru Place, New Delhi, 110019, India.

The directors consider there to be no ultimate controlling individual.



**ACTIAN EUROPE LIMITED**

**MANAGEMENT INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**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 2021

		2021		2020
	£	£	£	£
<b>Turnover</b>				
Provision of services		29,641,304		22,721,581
<b>Cost of sales</b>				
Royalties payable	91,247		90,912	
Intercompany	27,061,600		20,038,304	
Legal and professional fees	351		383	
		(27,153,198)		(20,129,599)
<b>Gross profit</b>	8.39%	2,488,106	11.41%	2,591,982
<b>Other operating income</b>				
Other income	-		960	
Intercompany revenue	1,323,730		1,398,159	
		1,323,730		1,399,119
<b>Administrative expenses</b>				
Wages and salaries	2,404,052		2,417,035	
Social security costs	279,112		264,463	
Employee insurance	25,996		20,925	
Staff welfare	27,454		28,284	
Staff recruitment costs	-		22,000	
Staff training	43		86	
Staff pension costs defined contribution	127,848		120,676	
Rent re operating leases	281		248,520	
Property repairs and maintenance	56,801		97,448	
Insurance	9,392		5,984	
Hire of equipment	1,943		808	
Travelling expenses	12,869		31,070	
Professional subscriptions	183		162	
Legal and professional fees	39,877		18,325	
Consultancy fees	-		4,520	
Accountancy	17,595		15,464	
Audit fees	35,000		32,500	
Bank charges	2,701		2,903	
Bad and doubtful debts	-		22,789	
Printing and stationery	902		4,444	
Advertising	99,178		86,980	
Telecommunications	35,684		31,168	
Entertaining	2,517		1,449	
Sundry expenses	40		2,500	
Amortisation	388		930	
Depreciation	89,483		89,757	
Loss on disposal of intangible assets	232		-	
Loss/(profit) on disposal of tangible assets	4,451		(4,940)	
(Profit)/loss on foreign exchange	(414)		182,709	
		(3,273,608)		(3,748,959)

# ACTIAN EUROPE LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

	£	2021 £	£	2020 £
<b>Operating profit</b>		538,228		242,142
<b>Interest receivable and similar income</b>				
Bank interest received	-		1	
		-		1
<b>Interest payable and similar expenses</b>				
Interest on overdue taxation - not financial liabilities	60		85	
Interest payable to group companies	37,468		18,664	
		(37,528)		(18,749)
<b>Profit before taxation</b>	1.69%	500,700	0.98%	223,394