

IRESS FS Limited

**Annual report and financial statements
for the period ended 31 December 2013**

(formerly Avelo FS Limited)

Registered in England and Wales

Company number: 02958430

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IRESS FS Limited

Annual report and financial statements for the period ended 31 December 2013

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**IRESS FS Limited
Corporate directory**

Directors

S Badley

S Bland

A Walsh

Company secretary

R Kelly

Registered office

1 Kingmaker Court
Warwick Technology Park
Gallows Hill
Warwick
Warwickshire
CV34 6DY
United Kingdom

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham
United Kingdom

Strategic report

The directors, in preparing this strategic report, have complied with Section 414C of the Companies Act 2006.

Review of operations and future developments

The turnover for the nine months period ended 31 December 2013 was £15.3 million (twelve months to March 2013: £18.6 million).

Profit after tax was £2.0 million (March 2013: profit after tax was £8.7 million). The profit for the period includes acquisition and restructure costs of £1.6 million.

The directors have paid a dividend £3.0 million (March 2013: £nil).

The net asset position of the company has decreased to £26.9 million (March 2013: £28.4 million).

The business is experiencing significant demand for mortgage solutions resulting from market changes to consumer buying preferences and the Mortgage Market Review. This trend, aligned with growth in Portal business volume, continued commitment towards retention of the Adviser Office client base and delivery of our new Life and Pensions distribution platform will drive strong business growth over the coming year.

The directors have not disclosed movements in key performance indicators due to the difference in the length of the financial periods and capital restructuring both of which make comparability difficult.

Principal risks and uncertainties

IRESS FS Limited, as part of IRESS Limited, has an active and robust corporate governance programme designed to manage strategic and tactical risks which could impact the business. Risks are clearly identified and monitored on a regular basis. With clear objectives, and an experienced management team, IRESS FS Limited believes it is on course to grow by increasing the choice of services offered to clients and by helping them transform the way they do business. The key risks and uncertainties currently facing the business are as follows:

Execution risk

The company continues to grow in its core market, providing comparative product quotations and illustrations, as well as new business and other transaction services to clients within the financial services sector. As the business increases in size this could potentially expose it to new business and transaction risks.

Operating risk

Managing the company's businesses is dependent upon the ability to process a large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, employee errors, failure to properly document transactions or to obtain proper internal authorisation, failure to comply with regulatory requirements and business principles, resource shortages, equipment failures, natural disasters or the failure of external systems. Although the company has implemented risk controls and loss mitigation actions, and resources are devoted to developing efficient procedures and to staff training, it is only possible to be reasonably, but not absolutely, certain that such procedures will be effective in controlling the operational risks faced by the company.

Principal risks and uncertainties (continued)

Liquidity risk

The company has a low exposure to liquidity risks as it continues to generate free cash flows and has sufficient liquid assets to manage any short term liquidity issues. However the company continues to monitor its commitments and liabilities to ensure that the company is not exposed to liquidity risks.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other debtors.

The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Fraud risk management

The company has implemented risk controls and maintains such internal checks and accounting policies as it deems appropriate to prevent fraud within the company.

Although resources are devoted to developing efficient procedures and to staff training, it is only possible to be reasonably, but not absolutely, certain that such procedures will be effective in preventing fraud.

There was no significant change in the nature of the activity of the group during the period.

Signed on behalf of the board of directors



S Bland
Director

21 November 2014

Directors' report

The directors present their audited financial statements for the nine month period ended 31 December 2013. During the period, the company changed its accounting reference date to 31 December to align with the ultimate holding entity IRESS Limited.

The prior comparative period was for the twelve months ended 31 March 2013.

Change of name

On 31 October 2013, the company changed its name from Avelo FS Limited to IRESS FS Limited.

Change of ultimate parent entity

On 9 September 2013, the company's then ultimate parent, Avelo FS Holdings Limited, was acquired by IRESS Limited, a company registered in Australia, which became the new ultimate parent.

Share capital

On 25 September 2013, the company passed a resolution to reduce its share capital from 10,451,000 ordinary shares at £1 each to 100 ordinary shares of £1 each.

Directors

The directors of the company during the period ended 31 December 2013 and to the date of this report are set out below:

S Badley
S Bland (Appointed 9 September 2013)
A Walsh (Appointed 9 September 2013)
K J Budge (Resigned 9 September 2013)
P A Yates (Resigned 9 September 2013)

Principal activity

The principal activity of the company was that of the development and support of software for the financial services industry.

Future developments

The directors do not plan any significant changes to the activities of the company.

Going concern

The directors have a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the directors have considered a period of at least 12 months from the date of authorising the financial statements.

Auditor

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue as the company's auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting in accordance with sections 485-488 of the Companies Act 2006.

Approved by the Directors and
Signed on behalf of the Board by:



S Bland
Director

21 November 2014

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report including 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 Financial Reporting Standard 101 Reduced Disclosure Framework. 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;
- state whether Financial Reporting Standard 101, Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 IRESS FS LIMITED

We have audited the financial statements of IRESS FS Limited for the period ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the Statement of Changes in Equity and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 December and of its profit for the period then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

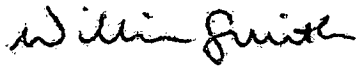
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRESS FS LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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



William Smith, MA, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

21 November 2014

IRESS FS Limited
Profit and loss account
For the period ended 31 December 2013

	Notes	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
Turnover	3	15,266	18,633
Administrative expenses		<u>(17,292)</u>	<u>(9,941)</u>
Operating (loss)/profit	4	(2,026)	8,692
Dividends received		4,267	-
Net interest (payable)/receivable	7	<u>(624)</u>	<u>1</u>
Profit on ordinary activities before taxation		1,617	8,693
Taxation on profit on ordinary activities	8	<u>363</u>	<u>(11)</u>
Profit for the period		<u>1,980</u>	<u>8,682</u>

The company has no recognised gains or losses other than the profit for the current period and prior year, which arises solely from continuing operations. Accordingly, a statement of other comprehensive income has not been prepared.

The above profit and loss account should be read in conjunction with the accompanying notes.

IRESS FS Limited
Balance sheet
As at 31 December 2013

	Notes	31 December 2013 £'000	31 March 2013 £'000	31 March 2012 £'000
Fixed assets				
Tangible fixed assets	10	834	77	3,048
Intangible assets	11	-	1,769	-
Investments	9	10,181	10,181	-
		<u>11,015</u>	<u>12,027</u>	<u>3,048</u>
Current assets				
Debtors: Amounts falling due within one year	12	21,567	29,001	15,033
Debtors: Amounts falling due after one year	13	-	506	506
Cash at bank and in hand		496	533	4,165
		<u>22,063</u>	<u>30,040</u>	<u>19,704</u>
Creditors: Amounts falling due within one year	14	(6,207)	(3,458)	(3,003)
Net current assets		<u>15,856</u>	<u>26,582</u>	<u>16,701</u>
Total assets less current liabilities		<u>26,871</u>	<u>38,609</u>	<u>19,749</u>
Creditors: Amounts falling due after one year	15	-	(10,181)	(3)
Net assets		<u>26,871</u>	<u>28,428</u>	<u>19,746</u>
Capital and reserves				
Called-up share capital	17	-	10	10
Share premium account	18	-	150	150
Other reserves	18	-	20	20
Profit and loss account	19	26,871	28,248	19,566
Total shareholders' funds		<u>26,871</u>	<u>28,428</u>	<u>19,746</u>

The financial statements of IRESS FS Limited (registered number 02958430) on pages 9 to 26 were approved by the board of directors and authorised for issue on 31 October 2014. 21 November 2014

They were signed on its behalf by:



S Bland
Director

The above balance sheet should be read in conjunction with the accompanying notes.

IRESS FS Limited
Statement of changes in equity
For the period ended 31 December 2013

	Notes	Called-up share capital £'000	Other Reserves £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2012		10	170	19,566	19,746
Changes on transition to FRS 101		-	-	-	-
Balance at 1 April 2012 (restated)		10	170	19,566	19,746
Profit for the period		-	-	8,682	8,682
Balance at 31 March 2013		10	170	28,248	28,428
Balance at 1 April 2013		10	170	28,248	28,428
Profit for the period		-	-	1,980	1,980
Other contributed equity		-	-	(506)	(506)
Dividends paid	16	-	-	(3,031)	(3,031)
Capital reduction	17	(10)	(170)	180	-
Balance at 31 December 2013		-	-	26,871	26,871

The above statement of changes in equity should be read in conjunction with the accompanying notes.

1 General information

IRESS FS Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report and strategic report on pages 2 to 5.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

These financial statements are separate financial statements.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group financial statements of IRESS Limited which are publicly available.

On 31 October 2013, the company changed its name from Avelo FS Limited to IRESS FS Limited.

2 Significant accounting policies

Basis of preparation

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the period ended 31 December 2013 the company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices.

These financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council, that was early adopted with an effective date of transition of 1 April 2012. The prior year financial statements were restated, details are given in note 24.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of IRESS Limited which are available to the public and can be obtained from the address in note 23.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

2 Significant accounting policies (continued)

Adoption of new and revised standards

As explained above, the company has adopted FRS 101 for the first time in the current period. As part of this adoption, the following new and revised Standards and Interpretations have been adopted in the current period. The application of these specific Standards and Interpretations has not had a material effect on the company.

New and revised Standards on consolidation, joint arrangements, associates and disclosure

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 (as revised in 2011) Separate Financial Statements and IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures. Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

None of these standards has had an impact on the financial statements.

Going concern

The directors have a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the directors have considered a period of at least 12 months from the date of authorising the financial statements.

Turnover

Revenue is stated net of VAT and is recognised in line with activity and performance, normally using amounts specified in contractual obligations and when collectability is reasonably assured.

The company operates within one business segment within the United Kingdom. There are no significant revenues earned outside the borders of the United Kingdom.

In general:

- variable revenues, for example, revenues dependent upon customer volumes in the period, are recognised only when those variable activities are performed;
 - revenue received in advance of performance is recognised as deferred income. When performance occurs, the deferred income is released and simultaneously reported as revenue;
 - service, maintenance and subscription revenues are recognised over the period that they relate to;
 - set up fees received from clients as contributions to costs are credited to deferred income when received.
- These are released into revenue:

- (i) as costs are incurred for fees identified as being against transition costs, or
- (ii) over the period of the contract in line with activity or performance levels for fees not contractually identified against delivered services.

2 Significant accounting policies (continued)

Tangible fixed assets

Tangible fixed assets comprise computer hardware and fixtures and fittings. Additions are included at cost and are depreciated only when ready for use. Assets are depreciated evenly over their estimated economic life as follows:

Computer hardware, fixtures and fittings: 3 - 10 years.

The carrying values of fixed assets are reviewed for impairment wherever circumstances indicate that the carrying value of such assets may not be recoverable.

Intangible fixed assets

Intangible fixed assets comprise computer software and capitalised development costs. Additions are included at cost and are amortised only when ready for use. Assets are amortised evenly over their estimated economic life as follows:

Software and capitalised development costs: 3 - 10 years.

The carrying values of fixed assets are reviewed for impairment wherever circumstances indicate that the carrying value of such assets may not be recoverable.

Software development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of development are charged to the profit and loss account as incurred.

Investments

Investments are included at cost, and are reviewed for impairment wherever circumstances indicate that the carrying value of such investments may not be recoverable.

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term.

Pension

The group makes contributions to defined contribution pension schemes on behalf of its employees. The amount charged against profits represents the contributions payable in respect of the accounting period.

2 Significant accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The deferred tax balance is not measured on a discounted basis.

Critical accounting 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 amounts 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The key accounting estimate is the valuation of recoverability of trade debtors, as the actual amounts collected could differ from the estimated level of recovery which could impact the operating results.

3 Turnover

	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
From continuing operations		
Rendering of services	15,266	18,633
	15,266	18,633

The company operates within one business segment within the United Kingdom. There are no significant revenues earned outside the borders of the United Kingdom.

4 Operating (loss)/profit

	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
Operating (loss)/profit is stated after charging:		
<i>Amortisation</i>		
Depreciation of tangible fixed assets	170	783
Amortisation of intangible fixed assets	1,769	421
Total depreciation and amortisation	1,939	1,204
Operating lease rentals		
Land and buildings	379	301
<i>Acquisition expenses</i>		
Acquisition expenses	1,636	-

Fees payable to Deloitte LLP and their associates for the audit of the company's annual financial statements were £14,000 (31 March 13: £19,000) and were borne by IRESS Limited. There are no non audit fees in either periods.

5 Staff costs

Staff costs, including directors' emoluments, comprise:

	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
<i>Employee benefit expenses</i>		
Wages and salaries	6,459	4,100
Pension charge	462	320
Social security costs	722	497
Total employee benefit expenses	7,643	4,917
	Number	Number
Average number of employees	199	84

6 Directors emoluments

	31 December 2013 £'000	31 March 2013 £'000
Aggregate remuneration	-	474
Company contribution to money purchase schemes	-	80
	-	554

In the 9 months to 31 December 2013, no directors accrued benefits under money purchase pension schemes (31 March 2013 - 2 directors).

Highest paid directors

Emoluments of the highest paid director directly employed by IRESS FS Limited are as follows:

	31 December 2013 £'000	31 March 2013 £'000
Aggregate remuneration	-	164
Company contribution to money purchase schemes	-	48
	-	212

All directors of the company during the period ended 31 December 2013 were employed and remunerated by other companies within the IRESS Limited group. It is not practical to split these emoluments between the subsidiary companies of the IRESS group.

7 Net interest (payable)/receivable

	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
Bank interest receivable	-	1
Intercompany interest payable	(624)	-
	<u>(624)</u>	<u>1</u>

8 Taxation

(a) Income tax (benefit)/expense

	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
Current tax		
Current tax on profit for the period	-	226
Adjustments in respect of prior periods	(4)	-
	<u>(4)</u>	<u>226</u>
Deferred tax		
Origination and reversal of temporary differences	(435)	(252)
Adjustments in respect of prior periods	(4)	40
Impact of change in the UK tax rate	80	(3)
	<u>(359)</u>	<u>(215)</u>
Total tax (credit)/charge	<u>(363)</u>	<u>11</u>

(b) Numerical reconciliation of income tax (benefit)/expense to prima facie tax payable

	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
Profit from continuing operations before income tax expense	1,617	8,693
Tax at the UK tax rate of 23% (March 2013: 24%)	372	2,086
Non deductible costs	200	338
Non taxable dividend income	(982)	-
Group relief claimed for nil payment	(25)	(2,450)
Adjustment in respect of prior periods	(8)	40
Re-measurement of deferred tax - change in UK tax rate	80	(3)
Income tax (benefit)/expense	<u>(363)</u>	<u>11</u>

(1,254)

8 Taxation (continued)

(c) Deferred tax

	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
Opening balance	(173)	42
Credited to the profit and loss account	(359)	(215)
Closing balance	(532)	(173)
 The deferred tax balance comprises:		
Fixed asset timing differences	(499)	(119)
Short term timing differences	(33)	(54)
	(532)	(173)

(d) Factors which may affect future taxation

The standard rate of UK corporation tax changed from 24% to 23% with effect from 1 April 2013. The 2013 Budget announced reductions to the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and a further 1% reduction down to 20% from 1 April 2015. These changes were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. Accordingly, the reduction to 20% has been taken into account when measuring the deferred tax assets and liabilities at 31 December 2013.

9 Investments in subsidiaries

	31 December 2013 £'000	31 March 2013 £'000
IRESS Mortgage Services Limited	10,181	10,181

On 27 March 2013 the company acquired 100 per cent of the issued share capital of IRESS Mortgage Services Limited (formerly Avelo Trigold Limited) for consideration of £10,181,000 from a fellow subsidiary. IRESS Mortgage Services Limited develops and supports software for the financial services industry and is the leading provider of mortgage sourcing, point of sale and broker web tool systems in the intermediary market.

IRESS Mortgage Services Limited is incorporated in England and Wales.

10 Tangible fixed assets

	Computer hardware £'000	Fixture & fittings £'000	Total £'000
At 1 April 2012			
Cost	869	243	1,112
Reclassification upon adoption of FRS 101	(129)	-	(129)
	<u>740</u>	<u>243</u>	<u>983</u>
Additions	67	4	71
Disposals	(712)	(109)	(821)
At 31 March 2013	<u>(95)</u>	<u>(138)</u>	<u>(233)</u>
At 1 April 2012			
Accumulated depreciation	(841)	(220)	(1,061)
Reclassification upon adoption of FRS 101	121	-	121
	<u>(720)</u>	<u>(220)</u>	<u>(940)</u>
Depreciation charge	(24)	(14)	(38)
Disposals	712	109	821
At 31 March 2013	<u>(32)</u>	<u>(125)</u>	<u>(157)</u>
Carrying amount			
1 April 2012	28	23	51
At 31 March 2013	<u>63</u>	<u>13</u>	<u>76</u>
At 1 April 2013			
Cost	95	138	233
Additions	408	520	928
	<u>503</u>	<u>658</u>	<u>1,161</u>
At 1 April 2013			
Accumulated depreciation	(32)	(125)	(157)
Depreciation charge	(97)	(73)	(170)
At 31 December 2013	<u>(129)</u>	<u>(198)</u>	<u>(327)</u>
Carrying amount			
31 March 2013	63	13	76
At 31 December 2013	<u>374</u>	<u>460</u>	<u>834</u>

11 Intangible assets

	Software £'000	Capitalised development costs £'000	Total £'000
At 1 April 2012			
Cost	340	3,947	4,287
Reclassification upon adoption of FRS 101	129	-	129
	<u>469</u>	<u>3,947</u>	<u>4,416</u>
Additions	303	-	303
Disposals	(135)	(995)	(1,130)
At 31 March 2013	<u>637</u>	<u>2,952</u>	<u>3,589</u>
At 1 April 2012			
Accumulation amortisation	(11)	(1,279)	(1,290)
Reclassification upon adoption of FRS 101	(121)	-	(121)
	<u>(132)</u>	<u>(1,279)</u>	<u>(1,411)</u>
Amortisation charge	(123)	(1,422)	(1,545)
Disposals	129	995	1,124
At 31 March 2013	<u>(126)</u>	<u>(1,706)</u>	<u>(1,832)</u>
Carrying amount			
1 April 2012	329	2,668	2,997
At 31 March 2013	<u>523</u>	<u>1,246</u>	<u>1,769</u>
At 1 April 213			
Cost	649	2,952	3,601
Additions	-	-	-
At 31 December 2013	<u>649</u>	<u>2,952</u>	<u>3,601</u>
At 1 April 2013			
Accumulation amortisation	(126)	(1,706)	(1,832)
Amortisation charge	(523)	(1,246)	(1,769)
At 31 December 2013	<u>(649)</u>	<u>(2,952)</u>	<u>(3,601)</u>
Carrying amount			
31 March 2013	523	(1,246)	(723)
At 31 December 2013	<u>-</u>	<u>-</u>	<u>-</u>

12 Debtors: Amounts falling due within one year

	31 December 2013 £'000	31 March 2013 £'000
Trade debtors	<u>1,138</u>	<u>1,565</u>
Amounts due from group undertakings	18,379	26,705
Prepayments	1,514	558
Deferred tax assets	532	172
Current tax receivable	4	1
	<u>20,429</u>	<u>27,436</u>
	<u>21,567</u>	<u>29,001</u>

13 Debtors: Amounts falling due after one year

	31 December 2013 £'000	31 March 2013 £'000
Amounts due from group undertakings	<u>-</u>	<u>506</u>

14 Creditors: Amounts falling due within one year

	31 December 2013 £'000	31 March 2013 £'000
Trade creditors	2,960	303
Other taxation and social security costs	2,378	1,136
Current tax payable	-	226
Accruals and deferred income	869	1,793
	<u>6,207</u>	<u>3,458</u>

15 Creditors: Amounts falling due after one year

	31 December 2013 £'000	31 March 2013 £'000
Amount due to group undertakings	-	10,181

16 Dividends

	9 months to 31 December 2013 £'000	12 months to 31 March 2013 £'000
Final dividends paid	3,031	-

During the period the company paid a dividend of £30,310 per ordinary share.

17 Called-up share capital

	31 December 2013 Shares	31 March 2013 Shares	31 December 2013 £	31 March 2013 £
Ordinary shares of £1 each - fully paid	100	10,451	100	10,451

On 25 September 2013, the company passed a resolution to reduce its share capital from 10,451,000 ordinary shares of £1 each to 100 ordinary shares of £1 each.

18 Other reserves

	31 December 2013 £'000	31 March 2013 £'000
<i>Share premium reserve</i>		
Opening balance	150	150
Effect of capital reduction	(150)	-
Closing balance	<u>-</u>	<u>150</u>
<i>Capital redemption reserve</i>		
Opening balance	20	20
Effect of capital reduction	(20)	-
Closing balance	<u>-</u>	<u>20</u>
Total	<u>-</u>	<u>(170)</u>

19 Profit and loss account

	31 December 2013 £'000	31 March 2013 £'000
Opening balance	28,247	19,566
(Loss)/profit for the period	1,980	8,681
Capital reduction	180	-
Contributed equity	(505)	-
Dividends	(3,031)	-
Closing balance	<u>26,871</u>	<u>28,247</u>

Notes

20 Commitments

Lease commitments

Non-cancellable operating leases

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

	31 December 2013 £'000	31 March 2013 £'000
Land and Buildings		
Within one year	234	360
Later than one year but not later than five years	325	566
	<u>559</u>	<u>926</u>

20 Commitments (continued)

Lease commitments (continued)

Non-cancellable operating leases (continued)

	31 December 2013 £'000	31 March 2013 £'000
Other		
Within one year	11	11
Later than one year but not later than five years	13	21
	<u>24</u>	<u>32</u>

Operating lease payments represent rentals payable by the group for certain of its office properties. Leases are negotiated for an average term ranging from 5 to 12 years and rentals are fixed for over the lease terms with an option to extend further as stated in the contract, at the then prevailing market rate. Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

21 Related party transactions

There have been no transactions with the directors of the company over the last period. In accordance with the exemption allowed by FRS 101, no disclosure is made of transactions with other wholly-owned member companies which are consolidated into the IRESS group.

22 Loan to directors

Interest free loan repayable a demand on the transfer or redemption of all interests in the shares and loan notes in IRESS (UK) Limited issued to the directors were made as follows:

	31 December 2013 £'000	31 March 2013 £'000
KJ Budge	-	253
PA Yates	-	253
	<u>-</u>	<u>506</u>

During the period, the loans were fully repaid.

23 Details of parent undertakings

The financial statements of the company are consolidated into the group financial statements of IRESS Limited, a company registered in Australia.

Copies of the IRESS Limited consolidated financial statements may be obtained from the Company Secretary, IRESS Limited, Level 18, 385 Bourke Street, Melbourne Vic 3000.

In the opinion of the directors, the ultimate controlling party is IRESS Limited, which is the parent undertaking and controlling party of the smallest and largest group to consolidated these financial statements.

24 Explanation of transition to FRS 101

This is the first period that the company has presented its financial statements under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 March 2013 and the date of transition to FRS 101 was therefore 1 April 2013.

On adoption of FRS 101, the company recategorised software and capitalised development costs of £129,000 from tangible fixed assets to intangible fixed assets. No other significant changes to accounting policies.