

Aconex (UK) Limited
Report And Financial Statements
30 June 2018

Rees Pollock
Chartered Accountants

WEDNESDAY



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27/03/2019
COMPANIES HOUSE

COMPANY INFORMATION

Directors	J P Bolger (appointed 16 May 2018) Oracle Corporation Nominees Limited (appointed 16 May 2018)
Registered number	04792234
Registered office	Oracle Parkway Thames Valley Park Reading Berkshire RG6 1RA
Independent auditors	Rees Pollock 35 New Bridge Street London United Kingdom EC4V 6BW

DIRECTORS' REPORT

For the year ended 30 June 2018

The directors present their report and the financial statements for the year ended 30 June 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year and up to the date of signing these financial statements were:

J P Bolger (appointed 16 May 2018)

L M Jasper (appointed 9 June 2003, resigned 16 May 2018)

R W Phillpot (appointed 9 June 2003, resigned 16 May 2018)

Oracle Corporation Nominees Limited (appointed 16 May 2018)

Disclosure of information to auditors

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

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

Auditors

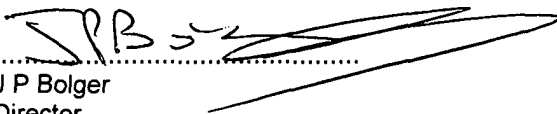
The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
For the year ended 30 June 2018

Small companies note

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

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


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J P Bolger
Director

Date: 22 March 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACONEX (UK) LIMITED

Opinion

We have audited the financial statements of Aconex (UK) Limited (the 'Company') for the year ended 30 June 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom General 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 30 June 2018 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACONEX (UK) LIMITED
(Continued)

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to produce a strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, 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.


Auditors' 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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Alexander Macpherson (senior statutory auditor)
for and on behalf of
Rees Pollock, Statutory Auditor
Date: 27 March 2019

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2018

	Note	Discontinued operations 2018 £	Discontinued operations 2017 £
Turnover	4	6,694,805	5,486,252
Cost of sales		(142,393)	(117,799)
Gross profit		6,552,412	5,368,453
Administrative expenses		(6,931,934)	(3,373,742)
Other operating income	5	872,667	-
Other operating charges		(669,161)	(2,095,000)
Operating loss	7	(176,016)	(100,289)
Profit on disposal of operations		2,193,511	-
Interest receivable and similar income	10	72,998	82,967
Profit/(loss) before tax		2,090,493	(17,322)
Tax on profit/(loss)	12	(219,084)	(82,300)
Profit/(loss) for the financial year		1,871,409	(99,622)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

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

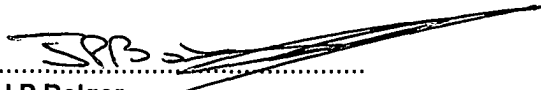
BALANCE SHEET
As at 30 June 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	-	104,385
Investments		-	-
		<u>-</u>	<u>104,385</u>
Current assets			
Trade debtors	15	-	1,267,027
Amounts owed by group companies	15	1,062,671	3,298,966
Other debtors	15	-	375,389
Prepayments and accrued income	15	-	119,563
Deferred Taxation	18	-	161,284
Cash at bank and in hand		-	1,054,354
		<u>1,062,671</u>	<u>6,276,583</u>
Trade creditors	16	-	(168,245)
Amounts owed to group companies	16	-	(1,784,112)
Other creditors including tax and social security	16	(54,394)	(733,414)
Accruals and deferred income	16	-	(3,072,504)
		<u>-</u>	<u>(5,554,271)</u>
Net current assets		1,008,277	518,308
Total assets less current liabilities		1,008,277	622,693
Creditors: amounts falling due after more than one year			
Other payables	17	-	(36,271)
Deferred income	17	-	(1,565,935)
		<u>-</u>	<u>(1,602,206)</u>
Net assets/(liabilities)		1,008,277	(979,513)

BALANCE SHEET (CONTINUED)
As at 30 June 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital	19	100	100
Capital contribution		348,875	232,494
Profit and loss account		659,302	(1,212,107)
		<u>1,008,277</u>	<u>(979,513)</u>

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


.....
J P Bolger

Director

Date: 22 March 2019

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

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

	Called up share capital £	Capital contribution £	Profit and loss account £	Total equity £
At 1 July 2016	100	167,692	(1,112,485)	(944,693)
Loss for the year	-	-	(99,622)	(99,622)
Share option expense	-	64,802	-	64,802
At 1 July 2017	100	232,494	(1,212,107)	(979,513)
Profit for the year	-	-	1,871,409	1,871,409
Share option expense	-	116,381	-	116,381
At 30 June 2018	100	348,875	659,302	1,008,277

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

1. General information

Aconex (UK) Limited is a private Company, limited by shares, registered and domiciled in England and Wales. The registered office address is Oracle Parkway, Thames Valley Park, Berkshire, RG6 1RA.

The principal activity of the Company during the period to 1 June 2018 was the provision of cloud collaboration software services for the construction industry. Following the acquisition of the Company's ultimate parent company, Aconex Limited, by Oracle Corporation on 28 March 2018. On 1 June 2018 the operations and net liabilities of the Company were transferred to another company of the Oracle Corporation. On that date the Company became a holding company of its sole subsidiary, EURL Aconex Maghreb.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

2. Accounting policies (continued)

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

The results of the Company are included in the consolidated financial statements of Oracle Corporation as at 31 May 2018. These financial statements may be obtained from investor.oracle.com/financial-reporting.

2.4 Going concern

The financial statements have been prepared under the going concern concept as the directors plan to retain the Company as a non trading entity for the foreseeable future. On 1 June 2018, the Company entered into an Asset Purchase Agreement with Oracle Corporation UK Limited whereby it sold its business, certain assets liabilities at fair market value.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

2. Accounting policies (continued)

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

License income

Revenue arising from license income is recognised evenly over the life of each individual client contract. Revenue in relation to client contracts that contain milestone based deliverables is recognised in the period that the project milestone is delivered.

Support, hosting and maintenance income

Income from support, hosting and maintenance is recognised on a straight line basis over the life of the underlying license agreement.

Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Pensions

Defined contribution pension plan

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.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

2. Accounting policies (continued)

2.9 Share based payments

On 28 March 2018, Aconex Limited, the Company's ultimate parent undertaking and its subsidiaries, including the Company, were acquired by Oracle Corporation.

In connection with the acquisition, all outstanding unvested Aconex employee stock options and other equity awards at the time of the closing were replaced or assumed by Oracle and converted into options and awards to acquire Oracle common stock.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity as a capital contribution.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of comprehensive income over the remaining vesting period.

2.10 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:

Leasehold improvements	-	term of lease
Fixtures and fittings	-	20% per annum
Office equipment	-	33% per annum
Computer equipment	-	33% per annum

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 comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

2. Accounting policies (continued)

2.11 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

2. Accounting policies (continued)

2.15 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 balance sheet 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 Balance sheet 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 balance sheet date.

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

The preparation of the Company's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made.

Fair value of discontinued operations

During the year the operations and net liabilities of the Company were transferred to another company of the Oracle Corporation group (see note 20). The fair value of the operations and net liabilities transferred was determined by calculating the discounted cash flow of the business as a cash generating unit. This estimation method requires a combination of assumptions including revenue growth, operating margin and the discount rate applied.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

4. Turnover

The whole of the turnover is attributable to the Company's principal activities.

	2018 £	2017 £
United Kingdom	3,550,675	2,238,034
Rest of Europe	1,832,605	1,635,308
Rest of the world	1,311,525	1,612,910
	<u>6,694,805</u>	<u>5,486,252</u>

5. Other operating income

	2018 £	2017 £
Transfer pricing income	<u>872,667</u>	<u>-</u>

6. Other operating charges

	2018 £	2017 £
Transfer pricing charges	<u>669,161</u>	<u>2,095,000</u>

7. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	106,729	83,793
Operating lease rentals: land and buildings	59,444	62,941
Exchange differences	43,051	(65,916)
Share option expense	<u>116,381</u>	<u>64,802</u>

8. Auditors' remuneration

	2018 £	2017 £
Audit of the Company's annual financial statements	<u>15,000</u>	<u>16,449</u>

The audit fee for the current year will be borne by a fellow group company.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

9. Employees

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,404,502	1,683,148
Social security costs	668,171	130,506
Cost of defined contribution scheme	184,582	51,471
Share option expense	116,381	64,802
	<u>5,373,636</u>	<u>1,929,927</u>

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

	2018 No.	2017 No.
Sales and marketing	24	10
Client operations	12	4
Product and engineering	17	1
Administration	7	1
	<u>60</u>	<u>16</u>

10. Interest receivable

	2018 £	2017 £
Intercompany interest	<u>72,998</u>	<u>82,967</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

11. Share based payments

On 28 March 2018, Aconex Limited, the Company's ultimate parent undertaking and its subsidiaries, including the Company, were acquired by Oracle Corporation.

In connection with the acquisition, all outstanding unvested Aconex employee stock options and other equity awards at the time of the closing were replaced or assumed by Oracle and converted into options and awards to acquire Oracle common stock.

Prior to 28 March 2018, employees of the company were granted awards under a Long Term Incentive Plan ("LTI plan") operated by Aconex Limited, the company's immediate parent undertaking. On 1 June 2018 all employees of the Company were transferred to other members of the Oracle Corporation group.

The following information is in respect of awards granted under the LTI plan during the period up to 1 June 2018:

The LTI plan consists of restricted shares and restricted share options, known collectively as LTI Awards. Restricted shares represent an Aconex Limited ordinary share that is subject to service and performance conditions outlined below. Restricted share options represent the right to acquire an ordinary share in Aconex Limited at a predetermined exercise price. Share options are subject to the service and performance conditions outlined below. The exercise price on the share options is generally the closing price on the date of approval for the granting of the LTI Awards by the board of Aconex Limited. Where the issuance of restricted shares has adverse tax or legal implications, the directors and employees will receive restricted share options.

Vesting of the LTI Awards are subject to:

- the employee being continuously employed by the Aconex Limited group for the 3 year period from the vesting period commencement date; and
- if Aconex Limited's relative Total Shareholder Return (TSR) performance is both positive and equal to or greater than the median performance of the S&P/ASX300 Index, in accordance with the following:

Relative TSR ranking against S&P/ ASX300 Index	% LTI Awards that will vest
Below 50th percentile	Nil
At 50th percentile	65%
> 50th percentile / < 75th percentile	Straight-line between 65% and 100%
At or above 75th percentile	100%

On 1 June 2018 all outstanding restricted options and restricted shares were transferred to other members of the Oracle Corporation group. Accordingly, no awards were outstanding at the balance sheet date.

The share based payment charge recognised during the year is:

	2018 £	2017 £
Equity-settled schemes	116,381	64,802

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

12. Taxation

	2018	2017
	£	£
Corporation tax		
Current tax on profits for the year	-	8,223
Foreign tax		
Foreign tax on income for the year	57,800	76,443
Total current tax	57,800	84,666
Deferred tax		
Origination and reversal of timing differences	161,284	6,023
Changes to tax rates	-	(35,927)
Adjustments in respect of prior periods	-	27,538
Total deferred tax	161,284	(2,366)
Taxation on profit on ordinary activities	219,084	82,300

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018
12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year differs from the standard rate of corporation tax applied in the UK of 19% (2017 - 19.75%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	2,090,493	(17,322)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.75%)	397,194	(3,421)
Effects of:		
Expenses not deductible for tax purposes	24,860	81,856
Utilisation of tax losses	-	(1,095)
Adjustments to tax charge in respect of prior periods	17,459	34,864
Short term timing difference leading to an increase (decrease) in taxation	-	6,023
Derecognition of deferred tax asset	161,284	-
Tax relief on gain on disposal of discontinued operations	(381,713)	-
Changes to tax rates	-	(35,927)
Total tax charge for the year	219,084	82,300

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018
13. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
At 1 July 2017	88,639	11,010	11,567	337,689	448,905
Additions	377,931	540	-	35,161	413,632
Transfers intra group	(466,570)	(11,550)	(11,567)	(372,850)	(862,537)
At 30 June 2018	-	-	-	-	-
At 1 July 2017	58,791	8,370	11,567	265,792	344,520
Charge for the year on owned assets	60,581	1,176	-	44,972	106,729
Transfers intra group	(119,372)	(9,546)	(11,567)	(310,764)	(451,249)
At 30 June 2018	-	-	-	-	-
Net book value					
At 30 June 2018	-	-	-	-	-
At 30 June 2017	29,848	2,640	-	71,897	104,385

On 1 June 2018 the trade, certain assets and liabilities were transferred to Oracle Corporation UK Limited.

14. Fixed asset investments

	2018 £	2017 £
Cost		
Investment in subsidiaries	-	-

The Company holds 100% of the Common stock of EURL Aconex Maghreb, a company incorporated in Algeria. The subsidiary company's registered office is 08 Rue Shakespeare, El Mouradia, Sidi M'Hamed, Algiers, Algeria. The subsidiary company ceased operations in Algeria in 2011.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2018

15. Debtors

	2018 £	2017 £
Trade debtors	-	1,267,027
Amounts owed by group undertakings	1,062,671	3,298,966
Other debtors	-	375,389
Prepayments and accrued income	-	119,563
Deferred taxation	-	161,284
	<u>1,062,671</u>	<u>5,222,229</u>

At the balance sheet date, amounts owed by group undertakings are in respect of a loan note which accrues interest at 3 month LIBOR +0.375% and is due for repayment on or before 1 June 2019. The loan note is unsecured.

Prior to the 1 June 2018 the Company charged interest to its holding company at a rate of 2.89% per annum. On 1 June 2018, the operations and net liabilities of the company were transferred to another company of the Oracle Corporation group (see note 20).

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	168,245
Amounts owed to group undertakings	-	1,784,112
Other creditors	54,394	733,414
Accruals and deferred income	-	3,072,504
	<u>54,394</u>	<u>5,758,275</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Other creditors	-	36,271
Accruals and deferred income	-	1,565,935
	<u>-</u>	<u>1,602,206</u>

On 1 June 2018 the trade, certain assets and liabilities were transferred to Oracle Corporation UK Limited.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

18. Deferred taxation

	2018 £	2017 £
At beginning of year	161,284	158,918
Charged to profit or loss	(161,284)	2,366
At end of year	-	161,284

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	-	6,107
Tax losses carried forward	-	155,177
	-	161,284

19. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
100 (2017 - 100) Ordinary shares of £1.0 each	100	100

20. Commitments under operating leases

At 30 June 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	-	61,275
Later than 1 year and not later than 5 years	-	45,956
	-	107,231

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2018

21. Ultimate parent undertaking and controlling party

At year end, the Company's immediate parent undertaking is Aconex Limited a company registered in Australia, and the Company's ultimate parent undertaking and controlling party was Oracle Corporation, which is incorporated in the United States of America and was the parent of the largest and smallest group to prepare consolidated financial statements which include the Company. Copies of the financial statements of Oracle Corporation are publicly available and can be obtained from 500 Oracle Parkway, Redwood Shores, CA 94065, United States of America.