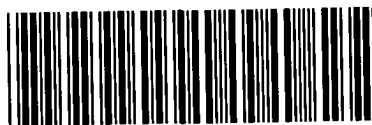

**SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA
LIMITED)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

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COMPANIES HOUSE

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

COMPANY INFORMATION

DIRECTORS Jose Luiz Moura Neto (resigned 9 July 2019)
Joachim Wettermark
Edward Lievens (appointed 9 July 2019)

COMPANY SECRETARY Abogado Nominees Limited

REGISTERED NUMBER 05094083

REGISTERED OFFICE Floor 26 Salesforce Tower
110 Bishopsgate
London
United Kingdom
EC2N 4AY

INDEPENDENT AUDITORS Ernst & Young
Chartered Accountants
The Atrium
Maritana Gate
Canada street
Waterford
Ireland

BANKERS Deutsche Bank AG
6 Bishopsgate
London
EC2N 4DA
United Kingdom

SOLICITORS Baker & McKenzie London
100 New Bridge Street
London
EC4V 6JA
United Kingdom

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

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SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2019

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

The immediate parent company of Salesforce UK Limited (formerly Salesforce.com EMEA Limited) (the "Company") is salesforce.com Sàrl, a company incorporated in Switzerland. The ultimate controlling party and the parent undertaking of both the largest and the smallest groups of undertakings of which the Company is a member and for which group financial statements are drawn up is salesforce.com, inc., a company incorporated in the United States of America. The Company is a member of the salesforce.com group of companies (the "Group").

REVIEW OF BUSINESS

The Company provides software as a service (SaaS) and other consulting and support services to assist organisations in the easy distribution of information to customers. The Company engages in ongoing research and development on behalf of another group entity. The Company acts as a contracting party with third party customers in the EMEA region for subscriptions and renewals, reselling the solutions of another group entity SFDC Ireland Limited.

The Company's key financial and other performance indicators during the year were as follows:

| | 2019 | *2018 | Variation |
|-----------------------------|-------------|--------------|------------------|
| | £000 | £000 | % |
| Turnover | 1,982,402 | 1,517,626 | 31 |
| Total operating expenses | (2,130,148) | (1,430,565) | 49 |
| Operating (loss)/profit | (147,746) | 87,061 | (270) |
| (Loss)/profit before tax | (143,289) | 90,488 | (258) |
| Shareholders' funds | 124,844 | 232,204 | (46) |
| Average number of employees | 1,519 | 1,252 | 21 |

*Please note all references to 2018 within this document refer to restated 2018 figures. 2018 amounts have been restated for the effects of IFRS15 retrospective adoption. Please see Note 25 for further details.

The statement of comprehensive income for the year ended 31 January 2019 and the balance sheet as at that date are set out on pages 9 and 10, respectively. The loss before tax for the year amounted to £143,288,826 (2018 – £90,488,329 profit). Although there has been an increase in activity due to the movement to Cloud Computing, which is driving growth for the Company, the overall profit has decreased in comparison to prior year. This is due to additional costs in the financial year due to the impact of retrospective IFRS 15 adoption and related intercompany agreements. Further details of IFRS 15 adoption impact on the financial statements can be found in Note 25.

PRINCIPAL RISKS AND UNCERTAINTIES

Under UK Company Law (Section 417 – Companies Act 2006), the Company is required to give a description of the principal risks and uncertainties faced:

- The Company has policies in place to ensure that all customers demonstrate an appropriate payment history and satisfy credit worthiness procedures. The Company benefits from the Group's comprehensive credit insurance coverage.
- The Company aims to mitigate liquidity risk by managing cash generation via its operations and continuing support of the ultimate parent company, salesforce.com, inc.
- The Company manages its cash flow risk, where significant, by the use of derivatives and other financial instruments.
- The Company manages the risks associated with marketable securities through adoption of group policies.
- The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2019**

THE COMPANY AND THE ENVIRONMENT

The Company is committed to conducting its activities with due care and regard for the environment and to making continual improvements to achieve a high standard of environmental performance. The Company is committed to managing and reducing its greenhouse gas emissions and their contribution to climate change. The Company is also committed to managing and reducing its water consumption and ensuring that all its wastewater is treated to the highest environmental standards. The Company is committed to reducing quantities of waste produced and actively uses recyclable products.

This report was approved by the board on 23 October 2019 and signed on its behalf.



Edward Lievens
Director

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2019**

The Directors present their report and the Financial Statements for the year ended 31 January 2019.

RESULTS FOR THE YEAR, DIVIDEND AND STATE OF AFFAIRS

The statement of comprehensive income, balance sheet and related notes for the year ended 31 January 2019 are set out on pages 9 to 39.

The Directors do not propose a dividend and therefore the loss after taxation for the year of £117,582,397 (2018: £73,264,698 profit) is debited to reserves.

FUTURE DEVELOPMENTS

There are no developments requiring comment.

GOING CONCERN

On the basis of current financial projections and available funds and facilities, the Directors are satisfied that the Company has adequate resources to continue in operation for the foreseeable future and therefore consider it appropriate to prepare the Financial Statements on the going concern basis.

DIRECTORS

The Directors of the Company who served during the year and up to the date of signing the Financial Statements were:

Jose Luiz Moura Neto (resigned 9 July 2019)

Joachim Wettermark

Edward Lievens (appointed 9 July 2019)

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no contribution to political parties during the year. Charitable contributions amounted to £30,210 (2018 - £32,691).

RESEARCH AND DEVELOPMENT

The Company engages in ongoing research and development on behalf of another group entity.

POST BALANCE SHEET EVENTS

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

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

PRINCIPAL RISKS AND UNCERTAINTIES

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. We seek to minimize the impact of certain foreign currency fluctuations by hedging certain balance sheet exposures with foreign currency forward contracts. Any gain or loss from settling these contracts is offset by the loss or gain derived from the underlying balance sheet exposures. In accordance with our policy, the hedging contracts we enter into have maturities of less than three months. Additionally, by policy, we do not enter into any hedging contracts for trading or speculative purposes.

The Company aims to mitigate liquidity risk by managing cash generation via its operations and the continuing support of the ultimate parent company salesforce.com, inc.

DISCLOSURE OF INFORMATION TO AUDITORS

Having made the requisite enquiries, so far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and the Directors have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

REAPPOINTMENT OF AUDITORS

Ernst & Young, Chartered Accountants, have expressed their willingness to continue in office as auditor and in accordance with Section 485 of the Companies Act 2006, a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible be identical to that of other employees.

EMPLOYEE CONSULTATION

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. The Company, through its ultimate parent, salesforce.com, inc., operates a number of share option plans (the "Option Plans"). Some employees are entitled to a grant of options or other share awards once they commence employment. Employees are also entitled to participate in a stock purchase plan.

This report was approved by the board on 23 October 2019 and signed on its behalf.



Edward Lievens
Director

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2019**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable UK law and regulation.

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework' 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.

This report was approved by the board on 23 October 2019 and signed on its behalf.



Edward Lievens
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

Opinion

We have audited the financial statements of Salesforce UK Limited (formerly salesforce.com EMEA Limited) for the year ended 31 January 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 27, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 January 2019 and of its loss 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 Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SALESFORCE UK LIMITED
(FORMERLY SALESFORCE.COM EMEA LIMITED (Continued))**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 directors' report have 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 strategic report or 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SALESFORCE UK LIMITED
(FORMERLY SALESFORCE.COM EMEA LIMITED (Continued))**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <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



Ronan Clinton (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Waterford

Date: 25 October 2024

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2019**

| | Note | 2019 £ | *2018 £ |
|---|------|----------------------|----------------------|
| Turnover | 4 | 1,982,401,817 | 1,517,625,709 |
| | | <u>1,982,401,817</u> | <u>1,517,625,709</u> |
| Gross profit | | | |
| Distribution costs | | (1,013,893,578) | (813,515,923) |
| Administrative expenses | | (1,116,071,229) | (617,902,163) |
| Other (expenses) / income | | (182,994) | 853,403 |
| Operating (loss)/profit | 5 | <u>(147,745,984)</u> | <u>87,061,026</u> |
| Interest receivable and similar income | 8 | 4,789,474 | 3,711,975 |
| Interest payable and similar charges | 9 | (332,316) | (284,672) |
| (Loss)/profit before tax | | <u>(143,288,826)</u> | <u>90,488,329</u> |
| Tax on (loss)/profit on ordinary activities | 12 | 25,706,429 | (17,223,631) |
| (Loss)/profit for the financial year | | <u>(117,582,397)</u> | <u>73,264,698</u> |
| Fair value movement on current asset investments | 21 | (461,016) | (1,952,677) |
| Total comprehensive (loss)/income for the year | | <u>(118,043,413)</u> | <u>71,312,021</u> |

The Notes on pages 12 to 39 form part of these financial statements.

*Restated for IFRS 15, see Note 25.

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**BALANCE SHEET
AS AT 31 JANUARY 2019**

| | Note | 2019 £ | *2018 £ |
|---|------|---------------------------|---------------------------|
| Non current assets | | | |
| Tangible assets | 13 | 32,695,746 | 27,448,485 |
| Investments | 14 | 95,492 | 95,492 |
| | | <u>32,791,238</u> | <u>27,543,977</u> |
| Current assets | | | |
| Debtors: amounts falling due after more than one year | 15 | 251,799,162 | 228,217,281 |
| Debtors: amounts falling due within one year | 15 | 1,115,931,904 | 854,876,188 |
| Current asset investments | 18 | 251,632,025 | 255,279,646 |
| Cash and cash equivalents | | 421,803,424 | 384,227,151 |
| | | <u>2,041,166,515</u> | <u>1,722,600,266</u> |
| Creditors: amounts falling due within one year | 16 | (1,928,114,911) | (1,460,860,716) |
| Net current assets | | <u>113,051,604</u> | <u>261,739,550</u> |
| Total assets less current liabilities | | <u>145,842,842</u> | <u>289,283,527</u> |
| Creditors: amounts falling due after more than one year | 17 | (20,998,842) | (26,551,882) |
| Provisions for liabilities | | | |
| Deferred tax | 19 | - | (30,527,234) |
| Net assets | | <u><u>124,844,000</u></u> | <u><u>232,204,411</u></u> |
| Capital and reserves | | | |
| Called up share capital | 20 | 1 | 1 |
| Fair value reserve | 21 | (2,413,693) | (1,952,677) |
| Retained earnings | 21 | 127,257,692 | 234,157,087 |
| Shareholders' Funds | | <u><u>124,844,000</u></u> | <u><u>232,204,411</u></u> |

*Restated for IFRS 15, see Note 25.

The financial statements of salesforce.com EMEA Limited were approved and authorised for issue by the board and were signed on its behalf on 23 October 2019


Edward Lieveys
Director

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2019**

| | Called up share capital | Fair value reserve | Retained earnings | Total shareholders' funds |
|--|----------------------------|-----------------------|----------------------|---------------------------------|
| | £ | £ | £ | £ |
| Restated at 1 February 2018 | 1 | (1,952,677) | 234,157,087 | 232,204,411 |
| Comprehensive income for the year | | | | |
| Loss for the financial year | - | - | (117,582,397) | (117,582,397) |
| Other comprehensive income (Note 21) | - | (461,016) | - | (461,016) |
| Total comprehensive income for the year | - | (461,016) | (117,582,397) | (118,043,413) |
| Share based payments (Note 24) | - | - | 10,683,002 | 10,683,002 |
| At 31 January 2019 | <u>1</u> | <u>(2,413,693)</u> | <u>127,257,692</u> | <u>124,844,000</u> |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2018**

| | Called up share capital | Fair value reserve | Retained earnings | Total shareholders' funds |
|---|----------------------------|-----------------------|----------------------|---------------------------------|
| | £ | £ | £ | £ |
| At 1 February 2017 | 1 | - | 65,588,125 | 65,588,126 |
| Comprehensive income for the year | | | | |
| Restated profit for the financial year | - | - | 73,264,698 | 73,264,698 |
| Changes in accounting policy prior periods (Note 25) | - | - | 91,703,835 | 91,703,835 |
| Other comprehensive income (Note 21) | - | (1,952,677) | - | (1,952,677) |
| Total comprehensive income for the year | - | (1,952,677) | 164,968,533 | 163,015,856 |
| Share based payments (Note 24) | - | - | 3,600,429 | 3,600,429 |
| Restated balance as at 31 January 2018 | <u>1</u> | <u>(1,952,677)</u> | <u>234,157,087</u> | <u>232,204,411</u> |

The Notes on pages 12 to 38 form part of these financial statements.

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

1. General presentation

Salesforce UK limited (formerly salesforce.com EMEA Limited) is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on the Company information page. The nature of the Company's operations and its principal activities are set out in the review of business on page 1.

The financial statements of Salesforce UK Limited (formerly salesforce.com EMEA Limited) ("the Company") for the year ended 31 January 2019 were authorised for issue by the board of Directors on 21 October 2019 and the balance sheet was signed on the board's behalf by Edward Lievens. The Company is a private company limited by share capital incorporated and domiciled in the United Kingdom.

2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The Company's Financial Statements are presented in Sterling. The amounts disclosed in the Financial Statements are not rounded off, except where otherwise indicated.

The results of salesforce.com Sàrl are included in the consolidated Financial Statements of salesforce.com inc., which are available to the public and can be obtained as set out in Note 26.

2.1 Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 ("FRS 100") issued by the Financial Reporting Council. These financial statements including the comparative figures were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") as issued by the Financial Reporting Council and in accordance with Companies Act 2006.

The Financial Statements have been prepared on the historical cost basis, except where otherwise indicated. The principal accounting policies adopted are set out below.

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

- a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- b) the requirements of IFRS 7 Financial Instruments: Disclosures;
- c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- d) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- e) the requirement of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 presentation of financial statements;
- f) the requirements of IAS 7 Statement of Cash Flows;
- g) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- h) exemption from the requirements of the second sentence of paragraph 110 and paragraph 113(a), 114, 115, 118, 199(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

2. Accounting policies (continued)

2.1 Basis of accounting (continued)

- (i) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (j) 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.

2.2 New standards, amendments and IFRIC interpretations

IFRS 9 and IFRS 15 are new accounting standards that are effective for the year ended 31 January 2019. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 January 2019, see Note 25 for further information. The relevant standard IFRS 16 Leases and its interpretations were published but not yet applicable for the annual accounts beginning on 1 February 2018. IFRS 16 Leases will be effective for the year ended January 2020 and onwards.

Where required, equivalent disclosures are given in the group accounts of salesforce.com, inc. The group accounts of salesforce.com, inc. are available to the public and can be obtained as set out in Note 26.

2.3 Going concern

On the basis of current financial projections and available funds and facilities, the Directors are satisfied that the Company has adequate resources to continue in operation for the foreseeable future and therefore consider it appropriate to prepare the Financial Statements on the going concern basis.

2.4 Tangible fixed assets

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

All tangible assets are recognized initially at cost and thereafter carried at cost less depreciation and impairment charged subsequent to the date of the revaluation.

Depreciation is provided on all property, plant and equipment, other than land, on a straight-line basis over its expected useful life as follows:

| | |
|------------------------|------------|
| Leasehold improvements | - 10 years |
| Fixtures & fittings | - 5 years |
| Computer hardware | - 3 years |
| Software | - 3 years |

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively. Impairment losses are recognized in the profit and loss account as incurred.

An item of tangible fixed assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the profit and loss account in the period of derecognition.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

2. Accounting policies (continued)

2.5 Impairment of non-financial assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

2. Accounting policies (continued)

2.6 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. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognized in the statement of comprehensive income, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

2. Accounting policies (continued)

2.7 Revenue recognition

The Company derives its revenues from three sources:

- a) subscription revenues, which are comprised of subscription fees from customers accessing salesforce.com's enterprise cloud computing services ("the SaaS Services") and from customers paying for additional support beyond the standard support that is included in the basic subscription fees;
- b) consulting and professional services such as process mapping, project management, implementation services and other revenue. "Other revenue" consists primarily of training and support fees; and
- c) the provision of services to related parties under cost plus arrangements.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the services supplied (as outlined above), stated net of value added taxes. The Company recognizes revenue when performance obligations have been satisfied and for the Company this is when the services have transferred to the customer and the customer has control of these.

The Company determines the amount of revenue to be recognized through application of the following steps:

- Identification of the contract, or contracts with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Company satisfies the performance obligations.

The Company's subscription service arrangements are non-cancelable and do not contain refund-type provisions.

The Company generally invoices customers annually. Typical payment terms provide that the customers pay within 30 days of invoice.

Subscription and support revenues

Subscription and support revenues are recognised rateably over the contract term beginning on the commencement date of each contract, which is the date the SaaS Services are made available to the customer.

Professional services and other revenues

The Company's professional services contracts are on a time and material basis or fixed price basis. When these services are not combined with subscription revenues as a single unit of accounting, as discussed above, these revenues are recognised as the services are rendered for time and material contracts, and when the milestones are achieved and accepted by the customer for fixed price contracts. Training revenues are recognised as the services are performed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

2. Accounting policies (continued)

2.7 Revenue recognition (continued)

Multiple deliverable arrangements

The Company enters into arrangements with multiple deliverables that generally include multiple subscriptions, premium support and professional services.

A performance obligation is a promise in a contract with a customer to transfer products or services that are distinct. Determining whether products and services are distinct performance obligations that should be accounted for separately or combined as one unit of accounting may require significant judgment. Cloud Services and software licenses are distinct as such offerings are often sold separately. In determining whether professional services are distinct, we consider the following factors for each professional services agreement:

- Availability of services from other vendors.
- The nature of the professional services.
- The timing of when the professional services contract was signed in comparison to the subscription start date.
- The contractual dependence of the service on the customer's satisfaction with the professional services work.

To date, we have concluded that all of the professional services included in contracts with multiple performance obligations are distinct.

The Company allocates the transaction price to each performance obligation on a relative standalone selling price ("SSP") basis. The SSP is the price at which it would sell a promised product or service separately to a customer.

Related party services revenue

The Company invoices related parties for services provided under the applicable intercompany agreements quarterly in arrears. Revenue is recognised in the period to which it refers and is not deferred.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

2. Accounting policies (continued)

2.7 Revenue recognition (continued)

Cost to obtain a contract

Deferred commissions are the incremental costs that are directly associated with non cancellable subscription contracts with customers and consist of sales commissions paid to the direct sales force of the Company or related entities. Commissions are deferred and amortized over the non cancellable terms of the related customer contracts.

2.8 Pension

For defined contribution schemes the amount charged to the statement of comprehensive income in respect of pension costs and other post-retirement benefits 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 on the balance sheet.

2.9 Foreign currency

The Financial Statements are presented in Sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in the statement of comprehensive income in the period in which they arise.

2.10 Leases

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the statement of comprehensive income on a straight line basis over the lease term or, where appropriate, over the period to anticipated termination date. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis.

2.11 Finance costs

As explained below, where financial liabilities are measured at amortized cost using the effective interest method, interest expense is recognized on an effective yield basis in the statement of comprehensive income within finance costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

2. Accounting policies (continued)

2.12 Financial instruments

Initial recognition

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

i) *Financial assets*

(a) Financial assets at fair value through profit or loss or at fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the group's business model is achieved both by collecting contractual cash flows and selling financial assets.

(b) Financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

(c) Financial assets at fair value through profit or loss

The following financial assets are classified at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortized cost or FVOCI.
- equity investments that are held for trading,
- equity investments for which the entity has not elected to recognize fair value, and
- gains and losses through OCI.

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

2. Accounting policies (continued)

2.12 Financial instruments (continued)

ii) Financial liabilities

The basic financial liabilities of the entity are trade and other creditors, amounts owed to group undertakings, and bank overdrafts.

Trade and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liabilities is (i) contingent consideration that may be paid by an acquirer as part of a business combination, (ii) held for trading, or (iii) it is designated as at fair value through profit or loss (FVTPL).

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Financial liabilities subsequently measured at amortized cost.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for trading, or (iii) designated as at FVTPL, are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

iv) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

2. Accounting policies (continued)

2.12 Financial instruments (continued)

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

v) *Derecognition of financial assets and liabilities*

Financial assets are derecognized when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognized when the obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2.13 Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognized as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by the Directors using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions).

At each balance sheet date before vesting, the cumulative expense is calculated to represent the extent to which the vesting period has expired and also to reflect management's best estimate of the achievement or otherwise of non-market conditions. The movement in cumulative expense since the previous balance sheet date is recognized in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognized over the remainder of the new vesting period for the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognized if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognized in the income statement for the award is expensed immediately.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

2. Accounting policies (continued)

2.13 Share based payments (continued)

An intercompany agreement has been established between SFDC International Ltd. and the Company in respect of awards to the Company's employees. It applies to all awards which vest, are exercised, or otherwise give rise to taxable income in the UK. For accounting purposes, the annual amount recharged to the Company is charged to equity and only the amortised expense for the period is recognized in the statement of profit or loss and other comprehensive income

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

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

IAS 1.122 requires disclosures of the significant judgments that affect the amounts recognized in the financial statements. This does not mean that every accounting judgment should be disclosed. However, disclosure would be appropriate in cases where the accounting outcome is materially different dependent on the judgment taken. The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognized in the financial statements:

Impairment of trade receivables

When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. See Note 15 for the net carrying amount of the receivables and associated impairment provision.

Taxation

Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in Note 12.

Performance obligations

Judgment is required to determine the SSP (standalone selling price) for each distinct performance obligation. The Company determines SSP by considering our overall pricing objectives and market conditions. Significant pricing practices taken into consideration include the Company's discounting practices, the size and volume of our transactions, the customer demographic, the geographic area where services are sold, price lists, our go-to-market strategy, historical sales and contract prices. As its go-to-market strategies evolve, it may modify its pricing practices in the future, which could result in changes to SSP. In certain cases, it is able to establish SSP based on observable prices of products or services sold separately in comparable circumstances to similar customers. The Company use a single amount to estimate SSP when it has observable prices. If SSP is not directly observable, for example when pricing is highly variable, it uses a range of SSP. The Company determines the SSP range using information that may include market conditions or other observable inputs. The Company typically has more than one SSP for individual products and services due to the stratification of those products and services by customer size and geography.

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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4. Turnover

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

| | 2019 | 2018 |
|--|-----------------------------|-----------------------------|
| | £ | £ |
| SaaS subscription services | 1,562,279,008 | 1,189,190,265 |
| Professional consulting and other services | 363,466,627 | 281,563,378 |
| Related party services | 56,656,182 | 46,872,066 |
| | <u>1,982,401,817</u> | <u>1,517,625,709</u> |

The Company's primary source of revenue is subscription revenue related to sale of salesforce.com services to third party customer and other related services. In addition, the Company continues to provide services to other related parties.

Turnover by geographical segment has not been disclosed in accordance with part 3 paragraph 68 of Statutory Instruments 2008 no.410.

Assets and liabilities related to contracts with customers

The Company has recognized the following assets and liabilities related to contracts with customers:

| | 31-Jan-19 | 31-Jan-18 | 31-Jan-17 |
|----------------------|----------------------|----------------------|--------------------|
| | £ | £ | £ |
| Trade receivables | 879,503,207 | 668,331,921 | 531,127,527 |
| Contract assets | 4,341,873 | 1,542,936 | 1,048,110 |
| Contract liabilities | 1,423,599,202 | 1,061,427,044 | 785,829,094 |

(i) Significant changes in contract assets and liabilities

Contract assets have increased as the Company has provided more services ahead of the agreed payment schedules. The Company also recognized a loss allowance for contract assets.

Contract liabilities for expected contracts have increased. The increase in 2019 was due to an increase in overall contract activity.

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

4. Turnover (continued)

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period related to carried-forward contract liabilities

| | 2019 | 2018 |
|---|-----------------------------|---------------------------|
| | £ | £ |
| Amounts included in contract liabilities at the beginning of the year | <u>1,061,427,043</u> | <u>785,829,095</u> |

(iii) Assets recognised from costs to fulfil a contract

In addition to the contract balances disclosed above, the Company has also recognised an asset in relation to costs to fulfil long term contracts.

| | 2019 | 2018 |
|---|---------------------------|--------------------------|
| | £ | £ |
| Asset recognized from costs incurred to fulfil a contract at 31 January | 408,399,453 | 355,996,530 |
| Amortisation and impairment loss recognised as cost of providing services during the period | <u>141,225,803</u> | <u>89,793,841</u> |

5. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

| | 2019 | 2018 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Depreciation of tangible fixed assets | 4,931,099 | 3,489,111 |
| Staff costs (see Note 10) | 216,502,491 | 85,726,776 |
| Foreign exchange (gain)/loss | (1,548,829) | 465,270 |
| Impairment of contract assets | 394,072 | - |
| Amortisation and impairment loss recognised as cost of providing services during the period | 141,225,803 | 89,793,841 |
| Operating lease rentals | <u>8,530,243</u> | <u>8,649,969</u> |

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

6. Financial instruments

The Company has the following assets measured at fair value through profit and loss or at fair value through other comprehensive income:

| | 2019 £ | 2018 £ |
|-----------------------------|-------------------|------------------|
| Market fund investments | 251,632,025 | 255,279,646 |
| Derivative financial assets | <u>21,804,345</u> | <u>9,754,030</u> |

The Company has the following financial liabilities measured at fair value through profit or loss:

| | 2019 £ | 2018 £ |
|----------------------------------|------------------|----------------|
| Derivative financial liabilities | <u>5,327,790</u> | <u>687,028</u> |

7. Auditor's remuneration

Fees payable to auditor for the statutory audit of the Company's Financial Statements were £110,472 (2018 - £106,403). There were no non-audit services provided by the Company's statutory auditor during the fiscal year.

8. Interest receivable and similar income

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Interest receivable from group companies | 4,789,474 | 3,711,975 |
| | <u>4,789,474</u> | <u>3,711,975</u> |

9. Interest payable and similar expense

| | 2019 £ | 2018 £ |
|-----------------------|----------------|----------------|
| Bank interest payable | 332,316 | 284,672 |
| | <u>332,316</u> | <u>284,672</u> |

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

10. Staff costs

Staff costs were as follows:

| | 2019 | 2018 |
|--------------------------------|---------------------------|--------------------------|
| | £ | £ |
| Wages and salaries | 150,621,754 | 47,547,013 |
| Social security costs | 25,916,663 | 7,936,807 |
| Other pension costs | 9,120,965 | 7,409,157 |
| Share-based payments (Note 24) | 30,843,109 | 22,833,799 |
| | <u>216,502,491</u> | <u>85,726,776</u> |

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

| | 2019 | 2018 |
|----------------|---------------------|---------------------|
| | No. | No. |
| Management | 1 | 1 |
| Administration | 650 | 549 |
| Sales | 868 | 702 |
| | <u>1,519</u> | <u>1,252</u> |

One driver of the increase in staff numbers during the year is group acquisitions, which resulted in approximately 170 staff being integrated into the Company.

11. Directors' remuneration and transactions

| | 2019 | 2018 |
|---|-------------------------|-----------------------|
| | £ | £ |
| Remuneration of the highest paid Director | 1,043,463 | 826,714 |
| Accrued pension at the end of the year | 18,514 | 21,390 |
| | <u>1,061,977</u> | <u>848,104</u> |
| Directors' emoluments | <u>1,069,977</u> | <u>848,104</u> |
| | <u>1,069,977</u> | <u>848,104</u> |

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

12. Taxation

(a) The tax charge comprises

| | 2019 £ | 2018 £ |
|--|---------------------|-------------------|
| Corporation tax | | |
| UK corporation tax | 9,542,315 | 5,931,093 |
| Adjustments in respect of previous periods | (459,186) | (1,299,829) |
| Foreign tax relief/other relief | (365,064) | - |
| Total current tax | <u>8,718,065</u> | <u>4,631,264</u> |
| Deferred tax | | |
| Current year | (34,493,979) | 487,483 |
| Effect of changes in tax rates | 80,803 | 59,190 |
| Adjustments in respect of prior periods | (3,744) | (169,881) |
| Other | (7,574) | - |
| Adjustment in respect of change in accounting policy | - | 12,215,575 |
| Total deferred tax | <u>(34,424,494)</u> | <u>12,592,367</u> |
| Taxation on profit | <u>(25,706,429)</u> | <u>17,223,631</u> |

(b) Tax included within equity

| | 2019 £ | 2018 £ |
|-------------------------------------|------------------|------------------|
| Corporation tax | 4,000,847 | 1,510,226 |
| Deferred tax | 4,447,368 | 1,228,704 |
| Total tax included in equity | <u>8,448,215</u> | <u>2,738,930</u> |

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

12. Taxation (continued)

(c) Reconciliation of the tax charge

The tax expense in the statement of comprehensive income for the year is the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are reconciled below:

| | 2019 £ | 2018 £ |
|--|----------------------|-------------------|
| (Loss)/profit before tax | <u>(143,288,826)</u> | <u>90,488,329</u> |
| Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%) | (27,224,877) | 17,192,783 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 2,214,893 | 1,587,014 |
| Adjustments to tax charge in respect of prior periods | (462,930) | (1,469,710) |
| Share options | 522,216 | (187,990) |
| Tax rate changes | 80,803 | 59,190 |
| Effects of overseas tax rates | (365,065) | - |
| Losses utilised in the year | (463,895) | - |
| Adjustment in respect of change in accounting policy | - | 42,344 |
| Other | (7,574) | - |
| Total tax charge for the year | <u>(25,706,429)</u> | <u>17,223,631</u> |

(d) Factors that may affect future tax charges

The tax rate for the current year is lower than the prior year due to changes in the UK tax legislation, which provided for the rate to reduce from 20% to 19% from 1 April 2017. This change to the UK corporation tax rate was substantively enacted as part of the Finance Bill 2016, in addition to a future reduction to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these Financial Statements.

The closing deferred tax asset at 31 January 2019 has been calculated at 17% reflecting the tax rate at which the deferred tax asset is expected to be utilized in future periods.

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

13. Tangible assets

| | Leasehold improvements £ | Fixtures and furniture £ | Computer hardware £ | Software £ | Total £ |
|-------------------------------------|--------------------------------|--------------------------------|---------------------------|---------------|-------------------|
| Cost | | | | | |
| At 1 February 2018 | 28,325,548 | 3,511,479 | 5,987,960 | 8,457 | 37,833,444 |
| Additions | 6,990,862 | 637,905 | 2,536,769 | 12,824 | 10,178,360 |
| Disposals | (59,459) | - | - | - | (59,459) |
| At 31 January 2019 | <u>35,256,951</u> | <u>4,149,384</u> | <u>8,524,729</u> | <u>21,281</u> | <u>47,952,345</u> |
| Depreciation | | | | | |
| At 1 February 2018 | 5,707,108 | 1,539,384 | 3,138,350 | 117 | 10,384,959 |
| Depreciation charge for the year | 2,660,237 | 566,729 | 1,700,180 | 3,953 | 4,931,099 |
| Disposals | (59,459) | - | - | - | (59,459) |
| At 31 January 2019 | <u>8,307,886</u> | <u>2,106,113</u> | <u>4,838,530</u> | <u>4,070</u> | <u>15,256,599</u> |
| Net book value | | | | | |
| At 31 January 2019 | <u>26,949,065</u> | <u>2,043,271</u> | <u>3,686,199</u> | <u>17,211</u> | <u>32,695,746</u> |
| At 31 January 2018 | <u>22,618,440</u> | <u>1,972,095</u> | <u>2,849,610</u> | <u>8,340</u> | <u>27,448,485</u> |

Asset retirement obligations (ARO) are included in the leasehold improvements for which the cost at 31 January 2019 amounts to £1,509,598 (2018 - £1,465,630).

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

14. Investments

| | Shares in group companies £ |
|-----------------------|-----------------------------------|
| Cost | |
| At 1 February 2018 | 95,492 |
| Additions | - |
| At 31 January 2019 | <u>95,492</u> |
| Net book value | |
| At 31 January 2019 | <u><u>95,492</u></u> |
| At 31 January 2018 | <u><u>95,492</u></u> |

The shares included above represent investments in unlisted equities which are less than 20% of the nominal value of issued shares.

15. Debtors

| | 2019 £ | 2018 £ |
|-------------------------------------|-----------------------------|---------------------------|
| Due after more than one year | | |
| Contract costs- Long term | 250,990,091 | 227,409,932 |
| Prepayments - Long term | 809,071 | 807,349 |
| | <u><u>251,799,162</u></u> | <u><u>228,217,281</u></u> |
| Due within one year | | |
| Trade debtors | 879,503,207 | 668,331,921 |
| Amounts owed by group undertakings | 57,203,795 | 45,244,662 |
| Contract assets | 4,341,873 | 1,542,936 |
| Other debtors | 5,372,331 | 8,007,713 |
| Prepayments - Short term | 3,764,282 | 3,162,358 |
| Contract costs- Short term | 157,409,362 | 128,586,598 |
| Deferred taxation (Note 19) | 8,337,054 | - |
| | <u><u>1,115,931,904</u></u> | <u><u>854,876,188</u></u> |

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

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|---|----------------------|----------------------|
| Trade creditors | 6,761,044 | 4,024,816 |
| Amounts owed to group undertakings | 357,005,079 | 288,066,919 |
| Other taxation and social security | 31,429,246 | 27,289,588 |
| Corporation tax | - | 1,339,621 |
| Defined contribution pension scheme accrual | 1,686,695 | 1,122,207 |
| Accruals | 123,304,697 | 103,455,375 |
| Contract liabilities | 1,402,600,360 | 1,034,875,162 |
| Derivative liabilities (Note 6) | 5,327,790 | 687,028 |
| | <u>1,928,114,911</u> | <u>1,460,860,716</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

| | 2019 £ | 2018 £ |
|----------------------|-------------------|-------------------|
| Contract liabilities | 20,998,842 | 26,551,882 |
| | <u>20,998,842</u> | <u>26,551,882</u> |

18. Current asset investments

| | 2019 £ | 2018 £ |
|-------------------------------|--------------------|--------------------|
| Short term investments | | |
| Market funds investments | <u>251,632,025</u> | <u>255,279,646</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Deferred taxation

The Company expects to have taxable profits in future periods, despite the loss in the current year. On this basis, a deferred tax asset has been recognised in the Financial Statements for the current period. To the extent that the future tax deduction associated with share based payments exceeds the cumulative book expense for outstanding unvested, unreleased and/or unexercised share options and awards, the related deferred tax asset has been recognised in the statement of changes in equity.

The deferred tax included in the Company's balance sheet is as follows:

| | 2019 £ | 2018 £ |
|---------------------------------------|------------------|---------------------|
| At beginning of year | (30,527,234) | (19,163,570) |
| Charged to profit or loss | 34,413,176 | (12,762,249) |
| Charged to other comprehensive income | 4,447,368 | 1,228,704 |
| Prior year adjustment | 3,744 | 169,881 |
| At end of year | 8,337,054 | (30,527,234) |

The deferred tax liability/(asset) is made up as follows:

| | 2019 £ | 2018 £ |
|---|------------------|---------------------|
| Book depreciation in excess of capital allowances | (1,351,696) | (1,153,088) |
| Temporary differences trading | 147,877 | 113,893 |
| Share based payments | 9,540,873 | 4,238,312 |
| Change in accounting policy | - | (33,726,351) |
| | 8,337,054 | (30,527,234) |

At 31 January 2019 there was unrecognized deferred tax asset relating to losses of £271,455.

20. Called-up share capital

| | 2019 £ | 2018 £ |
|--|--------------|--------------|
| Shares classified as equity | | |
| Authorised | | |
| 1,000- (2018 - 1,000) Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| Allotted, called up and fully paid | | |
| 1- (2018 - 1) Ordinary share of £1 | <u>1</u> | <u>1</u> |

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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21. Other reserves

Fair value reserve

The fair value reserve represents the aggregate of the cumulative unrealized gains and losses on current asset investments for sale of financial assets.

Retained earnings

The profit and loss account represent the profits and losses retained in the current and prior periods.

The movement in cumulative expense in relation to share based payments since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity, see Note 24 for further information on share based payments.

22. Financial commitments

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:

| | 2019 | 2018 |
|------------------------------|--------------------------|--------------------------|
| | Land and | Land and |
| | buildings | buildings |
| | £ | £ |
| - within one year | 8,949,497 | 8,444,022 |
| - between two and five years | 35,162,303 | 33,348,781 |
| - after five years | 47,078,456 | 55,565,184 |
| | <u>91,190,256</u> | <u>97,357,987</u> |

Operating lease payments represent rentals payable by the Company for certain of its office properties. Leases are negotiated for an average term of 14 years and rentals are fixed for an average of 14 years with no option to extend. 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.

23. Retirement benefit schemes

The Group operates a defined contribution pension scheme in which the majority of employees participate. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the scheme and amounted to £9,120,965 (2018 - £7,409,157). Total employer and employee contributions outstanding at year-end amounted to £1,686,695 (2018 - £1,122,207) payable by the Company (Note 16).

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Share based payments

The Company, through its ultimate parent, salesforce.com, inc., operates three types of share based compensation plans.

Restricted Share Unit (RSU)

Restricted Stock Units are Shares which the participating employees shall assume full ownership of upon vesting.

RSUs do not have a purchase price; rather, the full value of an RSU is earned through the service performed to the Company during the vesting period by the holder and are issued when the award vests.

The vesting schedule is a 4 year vest. 25% will vest one year from the grant date and 6.25% will vest quarterly thereafter.

| RSU | Weighted average share price on date of release (USD) 2019 | Number 2019 | Weighted average share price on date of release (USD) 2018 | Number 2018 |
|-----------------|---|-------------|---|-------------|
| Released | \$129.6330 | 292,888 | \$96.1007 | 353,224 |
| Closing balance | - | 772,316 | - | 646,316 |

For the remaining RSUs at year end the market price on release date is yet to be established. The weighted average recognition period for the remaining RSUs is 2.50 years (2018: 2.41 years).

Stock Options (SO)

A Stock Option is a right to buy a specified number of salesforce.com common stock at the market price as of when the option grant is approved by the Salesforce Compensation Committee. Stock options are granted to selected employees in order to attract and retain the best available personnel for positions of substantial responsibility.

The vesting term is a total of four years with 25% vesting one year from the grant date and 6.25% vesting quarterly thereafter.

| Stock option | Weighted average share price on date of release (USD) 2019 | Number 2019 | Weighted average share price on date of release (USD) 2018 | Number 2018 |
|-----------------|---|-------------|---|-------------|
| Released | \$134.6121 | 211,887 | \$92.0970 | 130,963 |
| Closing balance | - | 590,876 | - | 383,901 |

The range of exercise prices for options outstanding at the end of the year was \$7.0600 - \$122.0300 (2018: \$6.3600 - \$80.9900). The weighted average recognition period for the remaining stock options is 2.43 years (2018: 2.26 years).

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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24. Share based payments (continued)**Employee Stock Purchase Plan**

An Employee Stock Purchase Plan (ESPP) allows eligible employees of the Company the opportunity to purchase salesforce.com stock (NYSE Ticker: CRM) at a discount.

Through the ESPP, an employee is able to contribute 2% to 15% of eligible compensation to be used toward the purchase of salesforce.com shares. Stock will be purchased twice a year at a 15% discount off the lesser of these two price scenarios: a) the price of salesforce.com stock on the purchase date or b) the price of salesforce.com stock on the first day of an employee's annual ESPP cycle.

| ESPP | Weighted average share price on date of release (USD) 2019 | Number 2019 | Weighted average share price on date of release (USD) 2018 | Number 2018 |
|-----------|---|-------------|---|-------------|
| Exercised | \$90.5714 | 107,892 | \$60.7483 | 124,527 |

The expense recognised for share-based payments in respect of employee services received during the year to 31 January 2019, is £30,843,109 (2018 - £22,833,799). An amount of £2,234,787 (2018 - £1,932,721) relating to stock-based expense has been booked in equities.

The exercise price disclosures are given in US Dollars (US\$) as this is the currency in which the options are exercisable and the underlying stocks are quoted.

25. Changes in accounting policies

IFRS 9 and IFRS 15 are new accounting standards that are effective for the year ended 31 January 2019. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 January 2019.

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from 1 February 2018.

IFRS 9 Financial instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from 1 February 2018 resulted in changes in accounting policies and no adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 2 above.

Impairment of financial assets

The Company has three types of financial assets that are subject to IFRS 9's new expected credit loss model:

- trade receivables
- contract assets
- intercompany balances

The Company was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. There was no material impact for the change in impairment methodology on the Company's retained earnings and equity.

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Changes in accounting policies (continued)

Trade receivables and contract assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company has adopted IFRS 15 Revenue from Contracts with Customers from 1 February 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in IFRS 15, the Company has adopted the new rules full retrospectively and has restated comparatives for the 2018 financial year. In summary, the following adjustments were made to the amounts recognized in the balance sheet at the date of initial application (1 February 2018) and the beginning of the earliest period presented (1 February 2017):

| | IAS 18 carrying amount <u>31/01/2018</u> £ | Adjustments £ | IFRS 15 carrying amount <u>01/02/2018</u> £ |
|---------------------------------|--|------------------|---|
| Trade receivables | 667,538,139 | 793,782 | 668,331,921 |
| Contract assets | - | 1,542,936 | 1,542,936 |
| Deferred commissions-Short term | 88,050,880 | (88,050,880) | - |
| Deferred commissions- Long term | 94,429,120 | (94,429,120) | - |
| Other debtors | 8,007,714 | - | 8,007,714 |
| Contract costs- Short term | - | 128,586,598 | 128,586,598 |
| Contract costs-Long term | - | 227,409,932 | 227,409,932 |
| Accruals | (84,774,173) | (18,681,202) | (103,455,375) |
| Contract liabilities-Short term | - | (1,034,875,162) | (1,034,875,162) |
| Contract liabilities- Long term | | (26,551,882) | (26,551,882) |
| Deferred revenue-Short term | (1,057,484,237) | 1,057,484,237 | - |
| Deferred revenue-Long term | (24,277,872) | 24,277,872 | - |
| Deferred taxation | 3,199,117 | (33,726,351) | (30,527,234) |

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Changes in accounting policies (continued)

| | IAS 18 carrying amount <u>31/01/2017</u> £ | Adjustments £ | IFRS 15 carrying amount <u>01/02/2017</u> £ |
|---------------------------------|--|------------------|---|
| Trade receivables | 530,554,338 | 573,189 | 531,127,527 |
| Contract assets | - | 1,048,110 | 1,048,110 |
| Deferred commissions-Short term | 52,907,716 | (52,907,716) | - |
| Deferred commissions- Long term | 45,170,082 | (45,170,082) | - |
| Other debtors | 2,117,587 | - | 2,117,587 |
| Contract costs- Short term | - | 71,732,011 | 71,732,011 |
| Contract costs-Long term | - | 133,143,612 | 133,143,612 |
| Accruals | (71,910,530) | (3,601,665) | (75,512,195) |
| Contract liabilities-Short term | - | (780,367,299) | (780,367,299) |
| Contract liabilities- Long term | - | (5,461,795) | (5,461,795) |
| Deferred revenue-Short term | (789,992,079) | 789,992,079 | - |
| Deferred revenue-Long term | (5,461,795) | 5,461,795 | - |
| Other tax and social security | (22,959,839) | (958,299) | (23,918,138) |
| Deferred taxation | 2,347,206 | (21,510,776) | (19,163,570) |

The impact on the Company's retained earnings as at 1 February 2018 and 1 February 2017 is as follows:

| | 2018 £ | 2017 £ |
|--|-------------|-------------|
| Retained earnings | 90,376,328 | 65,588,125 |
| Adjustment to retained earnings from adoption of IFRS 15 | 143,780,759 | 91,973,163 |
| Opening retained earnings 1 February - IFRS 15 | 234,157,087 | 157,561,288 |

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

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25. Changes in accounting policies (continued)

- (i) Presentation of assets and liabilities related to contracts with customers

The Company has also voluntarily changed the presentation of certain amounts in the balance sheet to reflect the terminology of IFRS 15:

- Contract assets recognized in relation to customer contracts were previously presented as part of the trade receivables (£1,542,935 as at 31 January 2018; £1,048,110 as at 1 February 2017)
- Contract liabilities in relation to customer contracts were previously included in deferred revenue (£1,081,762,109 as at 31 December 2018; £795,453,874 as at 1 February 2017).

The effect of IFRS 15 on the statement of profit and loss for 31 January 2018 is as follows:

| | IAS 18 carrying amount £ | Adjustments £ | IFRS 15 carrying amount £ |
|---|--------------------------------|-------------------|------------------------------------|
| Turnover | 1,508,412,128 | 9,213,581 | 1,517,625,709 |
| Gross profit | 1,508,412,128 | 9,213,581 | 1,517,625,709 |
| Distribution costs | (813,515,923) | - | (813,515,923) |
| Administrative expenses | (672,981,081) | 55,078,918 | (617,902,163) |
| Other income | 853,403 | - | 853,403 |
| Operating expenses | 22,768,527 | 64,292,499 | 87,061,026 |
| Interest receivables and similar income | 3,711,975 | - | 3,711,975 |
| Interest payable and similar charges | (284,672) | - | (284,672) |
| Profit before taxes | 26,195,830 | 64,292,499 | 90,488,329 |
| Tax on profit on ordinary activities | (5,008,056) | (12,215,575) | (17,223,631) |
| Profit for the financial year | 21,187,774 | 52,076,925 | 73,264,698 |

SALESFORCE UK LIMITED (FORMERLY SALESFORCE.COM EMEA LIMITED)

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26. Controlling party

The Company's immediate parent Company is salesforce.com Sàrl, a Company incorporated in Switzerland.

The ultimate controlling party and the parent undertaking of both the largest and the smallest group of undertakings of which the Company is a member and for which group Financial Statements are drawn up is salesforce.com inc. a Company incorporated in the United States of America. Copies of its consolidated Financial Statements may be obtained from salesforce.com inc., salesforce Tower, 415 Mission Street, 3rd Floor, San Francisco, CA 94105, United States of America or at the following website: <http://investor.salesforce.com>.

27. Post balance sheet events

There were no events occurring after the balance sheet date that required disclosure, or adjustment to the Financial Statements of the Company, other than those disclosed in the Directors Report.