

COMPANY REGISTRATION NUMBER: 06124324

SWORD SOFT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2016



BREBNERS
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

2016-06-17 09:05:17

SWORD SOFT LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016

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SWORD SOFT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J F Mottard
S A Allen

Registered office

1000 Great West Road
Brentford
Middlesex
TW8 9DW

Auditor

Brebners
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

Bankers

HSBC Bank Plc
127 High Street
Hounslow
Middlesex
TW3 1QP

SWORD SOFT LIMITED

STRATEGIC REPORT

YEAR ENDED 31st DECEMBER 2016

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was an investment holding company.

The company does not trade and the directors are satisfied with the results made during the year.

The principal activity of the trading subsidiaries continued to be that of the provision of IT services and software.

Financial Key Performance Indicators

	2016 €	2015 €
Interest cost	–	143,487
Investment value	50,506,346	62,368,227

Non-Financial Key Performance Indicators

The company seeks to ensure that responsible business practice is fully integrated into the management of all of its operations and into the culture of all parts of its business. It believes that the consistent adoption of responsible business practice is essential for operational excellence, which in turn, ensures the delivery of its core objectives of sustained real growth in profitability.

In a company this size the directors consider there are collectively numerous non-financial performance indicators but no individual indicator is more important than any other.

Financial Instruments

The company uses basic financial instruments and had no hedging arrangements at 31st December 2016.

The management of the business is subject to a number of risks, which are reviewed by the board and appropriate procedures put in place to monitor and mitigate. The key risks are foreign exchange currency exposure and liquidity risk.

The company is exposed to currency exchange rate risk due to a significant proportion of its debtors and creditors being denominated in non-Euro currencies. The net exposure of each currency is monitored by reviewing forward exchange rates and taking account of anticipated movements when entering into key transactions.

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group operates a cash pooling system to ensure the necessary liquidity is available throughout the group.

In respect of bank balances the company had no overdraft facility during the year and the company maintained significant cash at bank balances throughout the year.

SWORD SOFT LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31st DECEMBER 2016

Principal Risks and Uncertainties

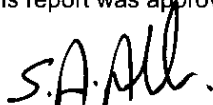
The company is an intermediary holding company for the UK subsidiaries of Sword Group SE. The principal risks and uncertainties of the company are the performance of its subsidiaries and receipt of future dividends to service the debt provided by the ultimate parent undertaking, Sword Group SE, used to acquire those subsidiaries. The company is reliant upon the continued support of Sword Group SE and the continued profitable performance of its subsidiaries.

There are no other significant risks relating to the company and the principal risks and uncertainties of its subsidiaries are disclosed in the strategic reports of those subsidiaries, where applicable under the Companies Act 2006 disclosure requirements.

FUTURE DEVELOPMENTS

The principal activity of the company is expected to remain consistent for the foreseeable future.

This report was approved by the board of directors on 14 JUNE 17 and signed on behalf of the board by:



S A Allen
Director

SWORD SOFT LIMITED
DIRECTORS' REPORT
YEAR ENDED 31st DECEMBER 2016

The directors present their report and the financial statements of the company for the year ended 31st December 2016.

DIRECTORS

The directors who served the company during the year were as follows:

J F Mottard
S A Allen

DIVIDENDS

Particulars of recommended dividends are detailed in note 9 to the financial statements.

DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial instruments.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 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 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.

SWORD SOFT LIMITED

DIRECTORS' REPORT *(continued)*

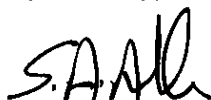
YEAR ENDED 31st DECEMBER 2016

AUDITOR

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 14 JUNE 17 and signed on behalf of the board by:



S A Allen
Director

SWORD SOFT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWORD SOFT
LIMITED
YEAR ENDED 31st DECEMBER 2016

We have audited the financial statements of Sword Soft Limited for the year ended 31st December 2016, on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2016 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SWORD SOFT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWORD SOFT
LIMITED *(continued)*
YEAR ENDED 31st DECEMBER 2016

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Brelmers

Philip Heath (Senior Statutory Auditor)

For and on behalf of
Brelmers
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 6AR

27th June 2017

SWORD SOFT LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31st DECEMBER 2016

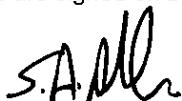
	Note	2016 €	2015 €
Administrative expenses		(12,761,093)	(2,214,400)
OPERATING LOSS	4	(12,761,093)	(2,214,400)
Income from shares in group undertakings	6	11,189,726	20,785,514
Other interest receivable and similar income		–	161,024
Interest payable and similar expenses	7	–	(143,487)
(LOSS)/PROFIT BEFORE TAXATION		(1,571,367)	18,588,651
Tax on (loss)/profit	8	(218,470)	(216,851)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		(1,789,837)	18,371,800
Dividends paid and payable	9	(5,000,000)	(43,100,000)
RETAINED EARNINGS AT THE START OF THE YEAR		58,115,132	82,843,332
RETAINED EARNINGS AT THE END OF THE YEAR		<u>51,325,295</u>	<u>58,115,132</u>

All the activities of the company are from continuing operations.

SWORD SOFT LIMITED
STATEMENT OF FINANCIAL POSITION
31st DECEMBER 2016

	Note	2016 €	2015 €
FIXED ASSETS			
Investments	10	50,506,346	62,368,227
CURRENT ASSETS			
Debtors	11	1,193,000	9,152,847
Cash at bank and in hand		<u>654,452</u>	<u>40,785</u>
		1,847,452	9,193,632
CREDITORS: amounts falling due within one year	12	<u>274,504</u>	<u>4,229,159</u>
NET CURRENT ASSETS		1,572,948	4,964,473
TOTAL ASSETS LESS CURRENT LIABILITIES		52,079,294	67,332,700
CREDITORS: amounts falling due after more than one year	13	<u>—</u>	<u>8,463,569</u>
NET ASSETS		<u>52,079,294</u>	<u>58,869,131</u>
CAPITAL AND RESERVES			
Called up share capital	14	106,000	106,000
Share premium account	15	647,999	647,999
Profit and loss account	15	<u>51,325,295</u>	<u>58,115,132</u>
MEMBERS FUNDS		<u>52,079,294</u>	<u>58,869,131</u>

These financial statements were approved by the board of directors and authorised for issue on 14 JUNE 17,
and are signed on behalf of the board by:



S A Allen
Director

Company registration number: 06124324

SWORD SOFT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2016

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1000 Great West Road, Brentford, Middlesex, TW8 9DW.

The principal activity of the company continued to be that of an investment holding company.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis in accordance with the accounting policies set out below.

The financial statements are prepared in euros, which is the functional currency of the entity.

Going concern

The company has considerable financial resources, the continued support from its parent undertaking and sufficient cash at bank. The directors believe that the company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Sword Group SE, which can be obtained from sword-group.com/investors. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

SWORD SOFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2016

3. ACCOUNTING POLICIES *(continued)*

Trade and other debtors

Trade and other debtors are initially recognised at the transaction price and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors

Trade and other creditors are initially recognised at the transaction price and are thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

Related parties

For the purposes of these financial statements, a party is considered to be related to the company if:

- (i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
- (ii) the company and the party are subject to common control;
- (iii) the party is an associate of the company or a joint venture in which the company is a venturer;
- (iv) the party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals;
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company; or
- (vii) the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

SWORD SOFT LIMITED**NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31st DECEMBER 2016**

3. ACCOUNTING POLICIES *(continued)***Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Key assumptions and other estimation uncertainty may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The company currently does not have any significant accounting estimates and there is no significant effect on any amounts recognised in the financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Dividend income is recognised when the right to receive payment is established.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account. Non-monetary items that are measured in terms of historic cost in a foreign currency are not retranslated.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

SWORD SOFT LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31st DECEMBER 2016

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. OPERATING PROFIT

Operating profit or loss is stated after crediting:

	2016	2015
	€	€
Loss on disposal of tangible assets	12,008,448	2,745,393
Foreign exchange differences	<u>(266,184)</u>	<u>(1,223,796)</u>

SWORD SOFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2016

5. AUDITOR'S REMUNERATION

	2016	2015
	€	€
Fees payable for the audit of the financial statements	<u>14,996</u>	<u>19,279</u>
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	11,934	15,721
Taxation compliance services	<u>2,442</u>	<u>2,410</u>
	<u>14,376</u>	<u>18,131</u>

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2016	2015
	€	€
Income from group undertakings	<u>11,189,726</u>	<u>20,785,514</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	€	€
Other interest payable and similar charges	<u>–</u>	<u>143,487</u>

8. TAX ON (LOSS)/PROFIT

Major components of tax expense

	2016	2015
	€	€
Current tax:		
UK current tax expense	154,703	216,851
Adjustments in respect of prior periods	<u>63,767</u>	<u>–</u>
Total current tax	<u>218,470</u>	<u>216,851</u>
Tax on (loss)/profit	<u>218,470</u>	<u>216,851</u>

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016	2015
	€	€
(Loss)/profit on ordinary activities before taxation	<u>(1,571,367)</u>	<u>18,588,651</u>
(Loss)/profit on ordinary activities by rate of tax	(314,274)	3,764,202
Effect of expenses not deductible for tax purposes	2,770,694	709,851
UK dividend income not taxable	(2,237,950)	(4,209,067)
Group loss relief	<u>–</u>	<u>(48,135)</u>
Tax on (loss)/profit	<u>218,470</u>	<u>216,851</u>

SWORD SOFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2016

9. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016	2015
	€	€
Equity dividends on ordinary shares	<u>5,000,000</u>	<u>43,100,000</u>

10. INVESTMENTS

	Shares in group undertakings €
Cost	
At 1st January 2016	62,368,227
Additions	3,468,092
Disposals	<u>(15,329,973)</u>
At 31st December 2016	<u>50,506,346</u>
Impairment	
At 1 Jan 2016 and 31 Dec 2016	<u>—</u>
Carrying amount	
At 31st December 2016	<u>50,506,346</u>
At 31st December 2015	<u>62,368,227</u>

Subsidiaries, associates and other investments

During the year the company acquired a further 9,769 Ordinary B shares in Apak Group Limited for consideration of €1,246,016. 9,110 Ordinary D Shares in Apak Group Limited were issued and allotted to Sword Soft Limited for consideration of €821,756.

During the year the company acquired a further 1,274,482 Ordinary B shares in Active Risk Group Limited for consideration of €1,400,320.

On 4th July 2016 the company transferred its investment in subsidiary Mobile Productivity Limited to Apak Group Limited for its fair value of €3,321,525.

During the year there was a reduction of share capital in the subsidiary Sword Technology Solutions Limited resulting in a loss of €12,008,448. The company continues to hold 100% of the subsidiary.

SWORD SOFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2016

10. INVESTMENTS *(continued)*

The company holds or has beneficial interest in 20% or more of the share capital of the following companies:

	Country of registration or incorporation	Class of share	Proportion held	Business
Active Risk Group Limited	United Kingdom	Ordinary	97%	Investment holding company
Active Risk Limited*	United Kingdom	Ordinary	97%	Risk management software
Active Risk Proprietary Limited*	Australia	Ordinary	97%	Risk management software
Active Risk Inc*	United States of America	Common Stock	97%	Risk management software
Sword Achiever Limited*	United Kingdom	Ordinary	97%	Software and consultancy
Apak Group Limited	United Kingdom	Ordinary	83%	Software and consultancy
Sword Apak Inc*	United States of America	Common Stock	83%	Software and consultancy
Sword Apak Aurius Limited*	United Kingdom	Ordinary	83%	Software and consultancy
Mobile Productivity Limited*	United Kingdom	Ordinary	83%	Software and consultancy
Apak Beam Limited	Cyprus	Ordinary	100%	Software and consultancy

SWORD SOFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2016

10. INVESTMENTS *(continued)*

BuildOnline Inc	United States of America	Common Stock	100%	Dormant
Sword General Partner Limited	United Kingdom	Ordinary	100%	Dormant
Sword Global (India) Private Limited	India	Common Stock	100%	Software and consultancy
Sword IT Solutions Limited	United Kingdom	Ordinary	49%	Investment holding company
AAA Group Limited*	United Kingdom	Ordinary	49%	Investment holding company
Aberdeen Appointments Agency Limited*	United Kingdom	Ordinary	49%	Recruitment agency
Sword Charteris Limited*	United Kingdom	Ordinary	49%	Software and consultancy
Sword Technology Solutions Limited	United Kingdom	Ordinary	100%	Software and consultancy

*Denotes companies that are indirect subsidiaries.

The company is not required to disclose the aggregate capital and reserves, and the profit and loss account under the Companies Act 2006 for the principal subsidiary undertakings as it is exempt by virtue of Section 400 of the Companies Act 2006 from preparing group accounts as it is part of a larger group preparing consolidated accounts. The information in the financial statements are for the company only.

11. DEBTORS

	2016	2015
	€	€
Amounts owed by group undertakings	903,214	8,858,799
Other debtors	289,786	294,048
	<u>1,193,000</u>	<u>9,152,847</u>

12. CREDITORS: amounts falling due within one year

	2016	2015
	€	€
Trade creditors	–	79,999
Amounts owed to group undertakings	29,199	806,992
Accruals and deferred income	15,000	95,766
Corporation tax	159,696	202,124
Other creditors	70,609	3,044,278
	<u>274,504</u>	<u>4,229,159</u>

SWORD SOFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2016

13. CREDITORS: amounts falling due after more than one year

	2016	2015
	€	€
Amounts owed to group undertakings	–	8,463,569

14. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2016		2015	
	No.	€	No.	€
A Ordinary shares of €0.10 each	940,000	94,000	940,000	94,000
B Ordinary shares of €0.10 each	59,999	6,000	59,999	6,000
C Ordinary shares of €0.10 each	1	–	1	–
D Ordinary shares of €0.10 each	60,000	6,000	60,000	6,000
	<u>1,060,000</u>	<u>106,000</u>	<u>1,060,000</u>	<u>106,000</u>

15. RESERVES

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss account includes all current and prior retained earnings and accumulated losses.

16. RELATED PARTY TRANSACTIONS

Transactions

Amounts due to and from group undertakings at 31st December 2016 are aggregated as permitted by FRS 102 and shown separately in debtors and creditors.

In accordance with FRS 102 paragraph 33.1A, exemption is taken not to disclose transactions in the year between wholly owned group undertakings.

During the year the aggregate value of transactions with other group undertakings included interest receivable of €Nil (2015: €138,440).

During the year the company waived an amount of €145,998 due from a subsidiary undertakings.

17. CONTROLLING PARTY

The company's immediate parent undertaking is Sword Group SE, which is also its ultimate controlling party. Sword Group SE produces financial statements available for public use.