

Sword Soft Limited
Annual Report and Financial Statements
for the Year Ended 31 December 2019

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

Sword Soft Limited

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Sword Soft Limited

Company Information

Directors	J F Mottard F Goosse
Registered office	1000 Great West Road Brentford Middlesex TW8 9DW
Auditors	Brebners Chartered Accountants & Statutory Auditor 130 Shaftesbury Avenue London W1D 5AR

Sword Soft Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Principal activity

The principal activity of the company is that of an investment holding company.

Fair review of the business

The directors are satisfied with the performance of the company for the year which is in line with management's expectation.

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

	Unit	2019	2018
Profit/(loss) before tax	€	70,134	78,682,293
Dividends from subsidiary undertakings	€		4,881,304

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

Price risk, credit risk, liquidity risk and cash flow risk

Liquidity, credit, price and cash flow risks are managed by the directors on a constant basis to ensure the company maintains adequate cash flows to serve its working capital requirements.

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from its trading subsidiaries which are largely conducted in sterling.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. The group's policies are aimed at minimising such losses by authorisation of credit terms to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group aims to mitigate liquidity risk by managing cash generation by its operations and ensuring regular monitoring of amounts outstanding for both time and credit limits in trade debtors.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt. The group manages this risk, where significant, and does not maintain any derivatives or complex financial instruments as explained above.

The company uses basic financial instruments and had no hedging arrangements at 31 December 2019.

Sword Soft Limited

Strategic Report for the Year Ended 31 December 2019

Principal risks and uncertainties

The company is an intermediary holding company for the UK subsidiaries of Sword Group SE. The management of the business are subject to a number of risks, which are reviewed by the board and appropriate procedures put in place to monitor and mitigate.

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.

The objective of the company in managing risks 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.

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.

As we are in the midst of a global pandemic which is creating a huge level of uncertainty to the global economy, it would be remiss of the directors to not discuss the potential impact that COVID-19 could have on the current and future business activities and the actions that we as an organization have taken in order to minimize these risks.

Central to our strategy in addressing the COVID related risks was the welfare of our staff as well as assuring the continuity of our business activities. From the outset we have taken these risks extremely seriously and amongst the actions which we put in place from day one were:

- Identification of key business critical tasks and ensuring these could be carried out both in the office and at distance with appropriate back up in case of illness to key staff members.
- Daily meetings to address issues, and ensure regular communication to all clients and staff members.
- Clear communication plans to ensure all staff are spoken with on a regular basis and do not feel isolated.
- Home working strategies to ensure all staff can remain productive and carry out their duties from distance.
- Help lines set up to ensure that staff feel there is someone for them to raise any concerns with.
- Close tracking of government guidelines to ensure we confirm with current guidance and also understand the assistance available.
- Detailed tracking of working capital and cash requirements in order to ensure the company continues to be well managed.

Although at the date of writing this report the pandemic is clearly not yet over, our business to date has proven extremely robust and has performed extremely well during this period of crisis, our cashflow has remained strong, our pipeline of opportunities has also remained robust and our profitability has actually increased during this period.

Our underlying strategy of ensuring a strong element of annuity based recurring revenue has ensured that the underlying business has remained stable and our risk relating to projects being deferred during these uncertain times has therefore been minimized. During the past six months we have renewed all of our key long term contracts which bodes well for the future.

Sword Soft Limited

Strategic Report for the Year Ended 31 December 2019

We have taken advantage of government assistance where available, deferred payments where possible, renegotiated with landlords and also made use of the furlough scheme where appropriate. The majority of our staff have been able to carry out their responsibilities from distance and as at the time of writing this report we currently have only one group employee remaining on the furlough scheme.

Although there is clearly still uncertainty in relation to the global economy we have adapted well to working at distance and we indeed specialize in this area assisting our clients to do the same, some of the changes in working practices will clearly stay with us for the medium to long term and we feel confident and well placed ensure the long term health of the business irrespective of what the future holds.

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 and performance of the company and group is expected to remain consistent for the foreseeable future.

Approved by the Board on 12 November 2020 and signed on its behalf by:

.....
J F Mottard
Director

Sword Soft Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors of the company

The directors who held office during the year were as follows:

J F Mottard

F Goosse

Dividends

Particulars of recommended dividends are detailed in note 13 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.

Important non adjusting events after the financial period

On 11 March 2020 the World Health Organisation declared COVID-19 a global pandemic, this resulted in many countries' governments introducing lock-down measures and the global economy entered into a period of uncertainty. Management's consideration on the impact of COVID-19 are detailed in Note 2 of the financial statements. As a result of COVID-19, it is not possible to predict the overall effect on the UK and world-wide economic outlook.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 12 November 2020 and signed on its behalf by:

.....

J F Mottard

Director

Sword Soft Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sword Soft Limited

Independent Auditor's Report to the Members of Sword Soft Limited for the Year Ended 31 December 2019

Opinion

We have audited the financial statements of Sword Soft Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Sword Soft Limited

Independent Auditor's Report to the Members of Sword Soft Limited for the Year Ended 31 December 2019

Opinion on other matter 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 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 our 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 and the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Sword Soft Limited

Independent Auditor's Report to the Members of Sword Soft Limited for the Year Ended 31 December 2019

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

.....
Darren Bond (Senior Statutory Auditor)
For and on behalf of
Brebners, Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

12 November 2020

Sword Soft Limited

Statement of Income and Retained Earnings for the Year Ended 31 December 2019

	Note	2019 €	2018 €
Turnover		-	-
Administrative expenses		38,701	73,796,153
Operating profit	4	38,701	73,796,153
Income from shares in group undertakings		-	4,881,304
Other interest receivable and similar income		31,433	4,836
		<u>31,433</u>	<u>4,886,140</u>
Profit before tax		70,134	78,682,293
Taxation	<u>7</u>	(39,991)	12,597
Profit for the financial year		30,143	78,694,890
Retained earnings brought forward		89,533,154	54,277,765
Dividends paid	<u>14</u>	(50,006,371)	(43,439,501)
Retained earnings carried forward		<u>39,556,926</u>	<u>89,533,154</u>

The notes on pages 12 to 21 form an integral part of these financial statements.

Sword Soft Limited

Statement of Financial Position as at 31 December 2019

	Note	2019 €	2018 €
Fixed assets			
Investments	<u>8</u>	41,285,464	26,148,565
Current assets			
Debtors	<u>9</u>	8,139,539	4,415,611
Cash at bank and in hand	<u>10</u>	2,881,869	68,114,380
		11,021,408	72,529,991
Creditors: Amounts falling due within one year	<u>11</u>	(11,995,947)	(8,391,403)
Net current (liabilities)/assets		<u>(974,539)</u>	<u>64,138,588</u>
Net assets		<u>40,310,925</u>	<u>90,287,153</u>
Capital and reserves			
Called up share capital	<u>12</u>	106,000	106,000
Share premium reserve	<u>13</u>	647,999	647,999
Profit and loss account	<u>13</u>	39,556,926	89,533,154
Total equity		<u>40,310,925</u>	<u>90,287,153</u>

Approved and authorised by the Board on 12 November 2020 and signed on its behalf by:

.....
J F Mottard

Director

Company registration number: 06124324

The notes on pages 12 to 21 form an integral part of these financial statements.

Sword Soft Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The principal activity of the company is that of an investment holding company.

The address of its registered office is:

1000 Great West Road

Brentford

Middlesex

TW8 9DW

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in euro, which is the functional currency of the entity.

Summary of 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/en/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.

Going concern

The company made a profit after tax for the year ended 31 December 2019 and had net assets of £40,310,925 at that date.

As we are in the midst of a global pandemic which is creating a huge level of uncertainty to the global economy, it would be remiss of the directors to not discuss the potential impact that COVID-19 could have on the current and future business activities and the actions that we as an organization have taken in order to minimize these risks.

Central to our strategy in addressing the COVID related risks was the welfare of our staff as well as assuring the continuity of our business activities. From the outset we have taken these risks extremely seriously and amongst the actions which we put in place from day one were:

Sword Soft Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

- Identification of key business critical tasks and ensuring these could be carried out both in the office and at distance with appropriate back up in case of illness to key staff members.
- Daily meetings to address issues, and ensure regular communication to all clients and staff members.
- Clear communication plans to ensure all staff are spoken with on a regular basis and do not feel isolated.
- Home working strategies to ensure all staff can remain productive and carry out their duties from distance.
- Help lines set up to ensure that staff feel there is someone for them to raise any concerns with.
- Close tracking of government guidelines to ensure we confirm with current guidance and also understand the assistance available.
- Detailed tracking of working capital and cash requirements in order to ensure the company continues to be well managed.

Although at the date of writing this report the pandemic is clearly not yet over, our business to date has proven extremely robust and has performed extremely well during this period of crisis, our cashflow has remained strong, our pipeline of opportunities has also remained robust and our profitability has actually increased during this period.

Our underlying strategy of ensuring a strong element of annuity based recurring revenue has ensured that the underlying business has remained stable and our risk relating to projects being deferred during these uncertain times has therefore been minimized. During the past six months we have renewed all of our key long term contracts which bodes well for the future.

We have taken advantage of government assistance where available, deferred payments where possible, renegotiated with landlords and also made use of the furlough scheme where appropriate. The majority of our staff have been able to carry out their responsibilities from distance and as at the time of writing this report we currently have only one employee remaining on the furlough scheme.

Although there is clearly still uncertainty in relation to the global economy we have adapted well to working at distance and we indeed specialize in this area assisting our clients to do the same, some of the changes in working practices will clearly stay with us for the medium to long term and we feel confident and well placed ensure the long term health of the business irrespective of what the future holds.

As such, having made enquiries, the directors have a reasonable expectation that the company has adequate resources to continue operating for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Exemption from preparing group accounts

The financial statements contain information about Sword Soft Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Sword Group SE, a company incorporated in Luxembourg.

Sword Soft Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

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 material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Deferred Consideration

The company has made estimates in calculating the deferred consideration payable and receivable in relation to the disposal and acquisition of subsidiaries during the year. These calculations will include managements best estimates of future performance of these subsidiaries.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Sword Soft Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2019 €	2018 €
Gain (loss) from disposals of investments	<u>68,595</u>	<u>79,944,610</u>

4 Operating profit

Arrived at after charging/(crediting)

	2019 €	2018 €
Foreign exchange (gains)/losses	<u>(73,249)</u>	<u>5,550</u>

5 Staff costs

The average number of persons employed by the company during the year, was 0 (2018 - 0).

6 Auditors' remuneration

	2019 €	2018 €
Audit of the financial statements	<u>18,427</u>	<u>15,000</u>
Other fees to auditors		
All other non-audit services	<u>14,938</u>	<u>11,225</u>

7 Taxation

Tax charged/(credited) in the income statement

	2019 €	2018 €
Current taxation		
UK corporation tax	10,702	(8,715)
UK corporation tax adjustment to prior periods	<u>29,289</u>	<u>(3,882)</u>
	<u>39,991</u>	<u>(12,597)</u>

Sword Soft Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 €	2018 €
Profit before tax	<u>70,134</u>	<u>78,682,293</u>
Corporation tax at standard rate	13,325	14,949,636
Effect of income exempt from taxation	(13,033)	(16,116,924)
Effect of expense not deductible in determining taxable profit (tax loss)	10,410	1,158,573
Increase/(decrease) in UK and foreign current tax from adjustment for prior periods	<u>29,289</u>	<u>(3,882)</u>
Total tax charge/(credit)	<u>39,991</u>	<u>(12,597)</u>

8 Investments in subsidiaries, joint ventures and associates

	2019 €	2018 €
Investments in subsidiaries	<u>41,285,464</u>	<u>26,148,565</u>
Subsidiaries		€
Cost or valuation		
At 1 January 2019		26,148,565
Additions		<u>15,136,899</u>
At 31 December 2019		41,285,464
Provision		
At 31 December 2019		<u>-</u>
Carrying amount		
At 31 December 2019		<u>41,285,464</u>
At 31 December 2018		<u>26,148,565</u>

Sword Soft Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

DETAILS OF UNDERTAKINGS

Undertaking	Registered Office	Holding	2019	2018
Sword GRC Group Limited (formerly Active Risk Group Limited)	1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN, England and Wales	Ordinary £0.01 Ordinary B £0.01 Total holding	100% 54% 92%	100% 39% 89%
Sword GRC Limited* (formerly Active Risk Limited)	1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN, England and Wales	Ordinary £0.05 Ordinary A £0.05 Total holding	92% 92% 92%	89% 89% 89%
Sword GRC Proprietary Limited* (formerly Active Risk Proprietary Limited)	40/140 William, Street Melbourne, VIC 3000, Australia	Ordinary AUD1 Total holding	92% 92%	89% 89%
Sword GRC Inc* (formerly Active Risk Inc)	13221 Woodland Park Road Suite 440, Herndon, VA 20171, USA	Ordinary USD0.001 Total holding	92% 92%	89% 89%
Sword Achiever Limited*	1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN, England and Wales	A Ordinary £1 B Ordinary £1 Total holding	92% 92% 92%	89% 89% 89%
Mobile Productivity Limited	1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN, England and Wales	Ordinary £1 Preference £1 Total holding	100% 100% 100%	100% 100% 100%
Apak Beam Limited	Pelekanos Court 10, Floor 3, Flat 301 'Agios Antonios 1055, Lefkosia, Cyprus	Ordinary EUR1.17 Total holding	100% 100%	100% 100%
Sword Middle East FZ-LLC*	Building 13, 1st Floor, Office 120, Dubai Internet City, 500406, UAE	Ordinary AED1,000 Total holding	100% 100%	100% 100%
Sword Technology Solutions	1000 Great West Road, Brentford, Middlesex, TW8 9DW, England and Wales	Ordinary £1 Total holding	100% 100%	100% 100%
Sword General Partner Limited*	1000 Great West Road, Brentford, Middlesex, TW8 9DW, England and Wales	Ordinary £1 Total holding	0% 0%	100% 100%
Sword Global (India) Private Limited*	Arihant Epark, 10th floor, N° 117/1, Lattice Bridge Road, Chennai, India	Ordinary INR1 Total holding	100% 100%	100% 100%
Magique Galileo Software Limited	1000 Great West Road, Brentford, Middlesex, TW8 9DW, England and Wales	Ordinary £1 Total holding	100% 100%	0% 0%
Magique Galileo Software LLC*	One World Trade Center, Suite 8500, New York, NY 10007, USA	Ordinary USD1 Total holding	100% 100%	0% 0%
Sword Charteris Limited	1000 Great West Road, Brentford, Middlesex, TW8 9DW, England and Wales	Ordinary £1 Total holding	100% 100%	100% 100%

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Notes to the Financial Statements for the Year Ended 31 December 2019

Sword IT Solutions Limited*	1000 Great West Road, Brentford, Middlesex, TW8 9DW, England and Wales	Ordinary £0.01	100%	100%
		Total holding	100%	100%
Minttulip Limited*	1000 Great West Road, Brentford, Middlesex, TW8 9DW, England and Wales	A Ordinary £0.01	100%	100%
		B Ordinary £0.01	100%	100%
		Ordinary £0.01	100%	100%
		Total holding	100%	100%
Venture Information Management Limited*	1000 Great West Road, Brentford, Middlesex, TW8 9DW, England and Wales	A Ordinary £0.01	100%	100%
		Total holding	100%	100%
Infinity Resources International Limited*	Union Plaza, 1 Union Wynd, Aberdeen, Aberdeenshire, AB10 1DQ, Scotland	Ordinary £0.10	100%	100%
		Total holding	100%	100%
AAA Group Limited*	Union Plaza, 1 Union Wynd, Aberdeen, Aberdeenshire, AB10 1DQ, Scotland	Ordinary £0.01	100%	100%
		Total holding	100%	100%
Aberdeen Appointments Agency Limited*	Union Plaza, 1 Union Wynd, Aberdeen, Aberdeenshire, AB10 1DQ, Scotland	Ordinary £1	100%	100%
		Total holding	100%	100%
DataCo Global Limited*	1000 Great West Road, Brentford, Middlesex, TW8 9DW, England and Wales	A Ordinary £0.0001	100%	0%
		B Ordinary £0.0001	100%	0%
		Preference £0.0001	100%	0%
		Total Holding	100%	0%
DataCo Australia Pty Limited*	c/o Spry Roughley, Chartered Accountants, Suite 303, Level 3, 55 Phillip Street, Parramatta, NSW 2150PO, Australia	Ordinary AUD1	100%	0%
		B Ordinary AUD1	100%	0%
		C Ordinary AUD1	100%	0%
		Total	100%	0%
DataCo Limited*	1000 Great West Road, Brentford, Middlesex, TW8 9DW, England and Wales	Ordinary £1	100%	0%
		Total	100%	0%
DataCo Services USA LLC*	2925 Richmond Avenue, 14th Floor, Houston, TX 77098, USA	Ordinary USD1	100%	0%
		Total	100%	0%
DataCo Denmark ApS*	c/o Revisorgaarden I Kobenhavn Ved, Vesterport 6, 5.1612 Kobenhavn V Denmark	Ordinary DKK1	100%	0%
		Total	100%	0%
DataCo Netherlands B.V.*	Sir Winston Churchill 299a, 2288 DC, Rijswijk, Netherlands	Ordinary EUR1	100%	0%
		Total	100%	0%
DataCo New Zealand Limited*	c/o Monteck Carter, Unit 5, 15 Accent Drive, East Tamaki, Auckland, 2013 NZ	Ordinary NZD1	100%	0%
		Total	100%	0%

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Notes to the Financial Statements for the Year Ended 31 December 2019

*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.

Sword GRC Group Limited, Sword Charteris Limited and AAA Group Limited are investment holding companies.

The principal activities of Sword GRC Limited, Sword GRC Proprietary Limited, Sword GRC Inc, Sword Achiever Limited, Magique Galileo Software Limited and Magique Galileo Software Inc are the development of governance, risk and compliance management software. On 2 January 2020 Magique Galileo Software Limited and its subsidiaries were transferred within the group to be subsidiaries of Sword GRC Group Limited at its carrying book value.

Mobile Productivity Limited and Infinity Resources International Limited are dormant. Mobile Productivity Limited was dissolved on 21 January 2020.

Aberdeen Appointment Agency Limited is a recruitment agency.

The remaining companies' principal activities are related to software and IT consultancy.

Sword General Partner Limited was dissolved in the year.

9 Debtors

	Note	2019 €	2018 €
Amounts owed by group undertakings	15	8,139,539	750,696
Other debtors		-	3,497,015
Corporation tax asset	7	-	167,900
		<u>8,139,539</u>	<u>4,415,611</u>

10 Cash and cash equivalents

	2019 €	2018 €
Cash at bank	<u>2,881,869</u>	<u>68,114,380</u>

11 Creditors

	Note	2019 €	2018 €
Due within one year			
Trade creditors		-	51,742
Amounts due to group undertakings	15	458,473	562,650
Other payables		11,509,312	7,262,030
Accrued expenses		17,460	514,981
Corporation tax liability	7	10,702	-
		<u>11,995,947</u>	<u>8,391,403</u>

Sword Soft Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

12 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	€	No.	€
A Ordinary shares of €0.10 each	940,000	94,000.00	940,000	94,000.00
B Ordinary shares of €0.10 each	59,999	5,999.90	59,999	5,999.90
C Ordinary shares of €0.10 each	1	0.10	1	0.10
D Ordinary shares of €0.10 each	60,000	6,000.00	60,000	6,000.00
	1,060,000	106,000.00	1,060,000	106,000.00

13 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.

14 Dividends

Interim dividends paid

	2019 €	2018 €
Equity dividends on Ordinary 'A' shares	50,006,372	43,439,500

15 Related party transactions

Amounts due to and from group undertakings at 31 December 2019 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.

16 Parent and ultimate parent undertaking

The company's immediate parent is Sword Group SE, incorporated in Luxembourg.

The most senior parent entity producing publicly available financial statements is Sword Group SE.

Sword Group SE, whose registered office is situated at Route d'Arlon 2-4, L-8399 Windhof, Luxembourg, is the parent of the largest and smallest group preparing consolidated financial statements incorporating the results of the company.

Sword Soft Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

17 Non adjusting events after the financial period

On 11 March 2020 the World Health Organisation declared COVID-19 a global pandemic, this resulted in many countries' governments introducing lock-down measures and the global economy entered into a period of uncertainty. Management's consideration on the impact of COVID-19 are detailed in Note 2 of the financial statements. As a result of COVID-19, it is not possible to predict the overall effect on the UK and world-wide economic outlook.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.