

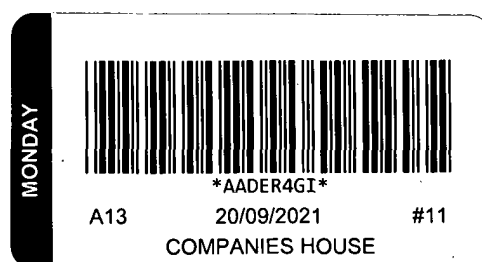
# **Nlyte Software Americas Limited**

Report and Financial Statements

Year Ended

31 December 2020

Company Number 07470046



# **Nlyte Software Americas Limited**

## **Report and financial statements for the year ended 31 December 2020**

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#### **Director**

D Sabella

#### **Secretary and registered office**

O Nisbett, Riverside House, 26 Osiers Road, London, SW18 1NH

#### **Company number**

07470046

#### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# Nlyte Software Americas Limited

for the year ended 31 December 2020

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## Principal activity

The Company resells software on an on-premise perpetual basis but also licenses the software on a on-premise subscription basis. Notwithstanding that, it does make the software available on a SaaS platform which a number of customers have taken advantage of. The Company also provides a hosting service for those companies not wishing to host the software on-premise.

## Review of business

During a difficult year while the Company expanded its customer base with a 6% increase in customer numbers from 2019, the Company experienced a 16% year on year decrease in revenue.

The decrease in administrative expenses is principally due to the early cost cutting measures performed by the Company, which included a number of employees having their employment terminated due to redundancy.

The Company closed the year with \$ 840,000 (2019 - \$954,000) in cash.

The Company's net cash position is as follows:

	Cash and cash equivalents \$'000
At 1 January 2020	954
Net cash outflow	(114)
	<hr/>
At 31 December 2020	840
	<hr/>
<i>Comprising:</i>	
Cash at bank and in hand	840
	<hr/>

# Nlyte Software Americas Limited

## Strategic report for the year ended 31 December 2020 (continued)

### Key Performance Indicators

The director considers that the year on year increases in turnover and customer numbers are its key performance indicators. These results were once again achieved in a difficult trading environment.

	2020	2019	Increase/ (Decrease)
Turnover	\$26,346,000	\$31,236,000	(16%)
Customer numbers	189	179	6%

### Future developments

The director does not anticipate any changes on the principal activity of the Company for the foreseeable future.

### Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. Risks are formally reviewed by the Director and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Company.

The key business risks and uncertainties affecting the Company are set out below:

#### *Competition*

The market in which the Company operates has a number of competitors within it. The Company monitors these competitors and the functionality that they offer to the market on an on-going basis. The director considers that the independence of the Company is a particular advantage to its customers.

#### *Credit Risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. The Company can at times have substantial debts owing to it due to the sale of its software and ancillary services. The directors consider the risk from its customers defaulting on payment is minimal due to the 'blue-chip' nature of its customers. The collection of debts is monitored by the Director on a quarterly basis.

At a local level, regular reviews of the trade receivables' ageing analysis is undertaken.

#### *Liquidity*

The Company prepares twelve months forward looking cash projections annually, which are monitored on a monthly basis. The directors are satisfied sufficient liquid resources are available to meet liabilities as they fall due.

### Approval

This Strategic Report was approved on behalf of the Director on 16 September 2021



O Nisbett

Secretary

# **Nlyte Software Americas Limited**

## **Director's report for the year ended 31 December 2020**

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### **Director**

The director of the Nlyte Software Americas Limited ("the Company") throughout the year was D Sabella.

### **Strategic Report**

A review of the principal business risks and uncertainties and future developments of the Company is included within the Strategic Report.

### **Going concern**

The Nlyte Software Group is forecasting a 20% year over year increase in 2021 revenue resulting in an overall group operating profit. The Group and Company continue to leverage their costs in line with revenue expectations

The Group is also forecasting to be once again generating cash from operating activities in 2021 in line with previous years.

The Group has prepared 2022 forecasts which show above 14% year on year growth in revenue and a limited increase in operating costs.

The Group applied a 50% new business worse case revenue sensitivity through the remaining period of 2021 and its 2022 model to determine the impact on the group's cashflows. After considering (a) the potential cash flow sensitivities, (b) the ability to reduce costs if deemed necessary, and (c) that Nlyte Software Limited has confirmed it will provide continued financial support to the Company to enable it to meet its financial obligations for the foreseeable future, a period of at least one year from the date of approval of the financial statements, the director believes the Company has sufficient resources to continue trading for the foreseeable future and it is therefore appropriate to prepare the Company financial statements on a going concern basis.

# Nlyte Software Americas Limited

## Director's report (*continued*) for the year ended 31 December 2020

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### Employment of disabled persons

The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The Company's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the Company, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the Company. Retraining of employees who become disabled whilst employed by the Company is offered where appropriate.

### Director's liabilities

The Company has arranged third party indemnity for the director against liabilities, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provisions remains in force as at the date of approving the Director's report.

### Auditors

The director as at the date of this report has taken all the steps that the ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the Company's auditor is unaware.

### Approval

This Director's Report was approved by order of the Director on 16 September 2021

  
O Nisbett

Secretary

# **Nlyte Software Americas Limited**

## **Statement of directors' responsibilities for the year ended 31 December 2020**

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### **Directors' responsibilities**

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the Company and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

# Nlyte Software Americas Limited

## Independent auditor's report for the year ended 31 December 2020

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### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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.

We have audited the financial statements of Nlyte Software Americas Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity 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).

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

### Independence

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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic report, Director's report and financial statements 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



# Nlyte Software Americas Limited

## Independent auditor's report (*continued*) for the year ended 31 December 2020

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### Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

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 the Director's 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.

### Responsibilities of Directors

As explained more fully in the Statement of Director's Responsibilities, 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.

# Nlyte Software Americas Limited

## Independent auditor's report (*continued*) for the year ended 31 December 2020

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### 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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework: United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006. We have evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks related to management override of controls, posting journal entries to increase revenue or profits and management bias in accounting estimates. In order to address the identified risks, we have performed the following procedures:

- We gained an understanding of how the Company is complying with reporting requirements by making enquiries of management. We corroborated our enquiries through our review of board minutes and review of any regulatory correspondence.
- We have considered the processes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors that processes and controls.
- We designed our audit procedures to detect irregularities, including fraud. Our procedures included targeted testing of specific journal entries based on identified characteristics the audit team considered could be indicative of fraud, for example credit entries to revenue without a corresponding entry to trade debtor, cash, accrued income or deferred income as well as a focus on large and unusual transactions based on our knowledge of the business.
- We have performed testing on the financial statement disclosures to supporting documentation, performing substantive testing on account balances which were considered to be a greater risk of susceptibility to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

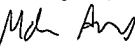
# Nlyte Software Americas Limited

## Independent auditor's report (*continued*) for the year ended 31 December 2020

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### 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.

DocuSigned by:  
  
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Mark Ayres (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK  
Date 16 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Nlyte Software Americas Limited

## Statement of comprehensive income for the year ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
<b>Turnover</b>	3	<b>26,346</b>	31,236
Cost of sales		(12,364)	(16,550)
<b>Gross profit</b>		<b>13,982</b>	14,686
Administrative expenses		(13,137)	(16,486)
<b>Operating Profit</b>	4	<b>845</b>	(1,800)
Interest payable and similar charges	7	(25)	(44)
<b>Profit on ordinary activities before taxation</b>		<b>820</b>	(1,844)
Taxation on ordinary activities	8	(12)	(25)
<b>Profit on ordinary activities after taxation</b>		<b>808</b>	(1,869)
<b>Total comprehensive profit for the year</b>		<b>808</b>	(1,869)

All amounts relate to continuing activities.

The notes on pages 13 to 22 form part of these financial statements.

# Nlyte Software Americas Limited

## Statement of financial position at 31 December 2020

<i>Company number 07470046</i>	<i>Note</i>	<b>2020</b> <b>\$'000</b>	<b>2020</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>	<b>2019</b> <b>\$'000</b>
<b>Fixed assets</b>					
Tangible assets	9		75		162
Fixed asset investments	10		4		4
			<u>79</u>		<u>166</u>
<b>Current assets</b>					
Debtors	11	12,401		12,566	
Cash at bank and in hand		840		954	
		<u>13,241</u>		<u>13,520</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(27,209)</u>		<u>(29,627)</u>	
<b>Net current liabilities</b>			<u>(13,968)</u>		<u>(16,107)</u>
<b>Total assets less current liabilities</b>			<u>(13,889)</u>		<u>(15,941)</u>
<b>Creditors: amounts falling due after one year</b>	13		<u>(1,655)</u>		<u>(562)</u>
<b>Net liabilities</b>			<u>(15,544)</u>		<u>(16,503)</u>
<b>Capital and reserves</b>					
Called up share capital	15		-		-
Other reserves	16		721		721
Profit and loss account	16		(16,265)		(17,224)
<b>Shareholders' deficit</b>			<u>(15,544)</u>		<u>(16,503)</u>

The financial statements were approved by the Director and authorised for issue on 16 September 2021

  
D Sabella  
Director

The notes on pages 13 to 22 form part of these financial statements.

# Nlyte Software Americas Limited

## Statement of changes in equity at 31 December 2020

	Called up share capital \$'000	Other reserves \$'000	Profit and loss account \$'000	Total equity \$'000
<b>1 January 2020</b>	-	721	(17,224)	(16,503)
<b>Comprehensive profit for the year</b>				
Profit for the year	-	-	808	808
<b>Total comprehensive profit for the year</b>	-	-	808	808
<b>Contributions by and distributions to owners</b>				
Share based payment credit	-	-	151	151
<b>Total contributions by and distributions to owners</b>	-	-	151	151
<b>31 December 2020</b>	-	721	(16,265)	(15,544)

	Called up share capital \$'000	Other reserves \$'000	Profit and loss account \$'000	Total equity \$'000
<b>1 January 2019</b>	-	721	(15,527)	(14,806)
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(1,869)	(1,869)
<b>Total comprehensive loss for the year</b>	-	-	(1,869)	(1,869)
<b>Contributions by and distributions to owners</b>				
Share based payment credit	-	-	172	172
<b>Total contributions by and distributions to owners</b>	-	-	172	172
<b>31 December 2019</b>	-	721	(17,224)	(16,503)

The notes on pages 13 to 22 form part of these financial statements.

# Nlyte Software Americas Limited

## Notes forming part of the financial statements for the year ended 31 December 2020

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### 1 Accounting policies

Nlyte Software Americas Limited is a private company, limited by shares and incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies, these judgements are set out in note 2.

The following principal accounting policies have been applied:

#### *Going concern*

The Nlyte Software Group is forecasting a 20% year over year increase in 2021 revenue resulting in an overall group operating profit. The Group and Company continue to leverage their costs in line with revenue expectations

The Group is also forecasting to be once again generating cash from operating activities in 2021 in line with previous years.

The Nlyte Group has prepared 2022 forecasts, which includes the Company, which show a 14% year on year growth in revenue and a limited increase in operating costs.

The Group applied a 50% new business worse case revenue sensitivity through the remaining period of 2021 and its 2022 model to determine the impact on the group's cashflows. After considering (a) the potential cash flow sensitivities, (b) the ability to reduce costs if deemed necessary, and (c) that Nlyte Software Limited has confirmed it will provide continued financial support to the Company to enable it to meet its financial obligations for the foreseeable future, a period of at least one year from the date of approval of the financial statements, the director believes the Company has sufficient resources to continue trading for the foreseeable future and it is therefore appropriate to prepare the Company financial statements on a going concern basis.

# Nlyte Software Americas Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

### 1 Accounting policies (continued)

#### *Functional and Presentational Currency*

Items included in the financial statements of the Company is measured using the currency of the primary economic environments in which the entity operates ("the functional currency"). The results and financial position of the Company are expressed in US dollars, which is the functional currency of the Company financial statements.

#### *Foreign currency*

Foreign currency transactions are translated at the rates ruling when the transaction occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the profit and loss account.

#### *Turnover*

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivables for goods and services provided, net of discounts and sales tax.

Turnover in respect of:

- i) the sale of software licences is recognised on delivery of the software to the customer.
- ii) professional services (project management, implementation, integration and training) are recognised as the services are delivered to the customer and full performance has been agreed.
- iii) Support revenue is recognised evenly over the year in which the support contract services are provided to the customer.

#### *Tangible fixed assets*

All tangible fixed assets are stated at cost.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Computer equipment	-	33% per annum
Fixtures, fittings and equipment	-	20% per annum



# Nlyte Software Americas Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (*continued*)

### 1 Accounting policies (*continued*)

#### *Current and deferred taxation*

The tax expense for the period comprises current and deferred 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 or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Company can control their reversal and such reversal is not considered probable in the foreseeable future.

#### *Leased assets*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the year of the lease.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

#### *Share-based payments*

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting year is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

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

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with fair value of goods and services received.

# Nlyte Software Americas Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

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### 1 Accounting policies (continued)

#### *Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

#### *Financial assets*

Financial assets are initially measured at transaction price and subsequently held at cost less any impairment.

#### *Financial Liabilities*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instruments legal form.

All creditors are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the company has calculated that the difference between the historical cost and amortised cost is not material and so these financial instruments are stated on the balance sheet at historical cost.

The director has considered the underlying agreements from entities in the Company and consider that under the terms of these agreements that all of the amounts should be shown as due in under one year at the balance sheet date.

Intercompany loans are calculated on the present value of the future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

#### *Cash and cash equivalents*

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

#### *Exemption from preparing a cash flow statement*

The company has taken the exemption within Chapter 1 of FRS 102, not to prepare a cash flow statement as it is included within the consolidated financial statements of its ultimate parent, Nlyte Software Limited, which are publicly available.

# Nlyte Software Americas Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the director has made the following judgements:

The functional currency used in the Company accounts is USD. This decision was made with consideration to FRS 102 section 30. Judgements were made regarding the primary economic environment that the company operates in. Our judgement regarding functional currency is based on the United States of America being the primary economic environment that the company operates in. In reaching this decision the Company has considered which currency influences sales price, influences labour and other material costs along with the currency which funds from financing are received and funds from operating activities are usually retained.

The carrying value of the amounts owed by group undertakings is reviewed annually for impairment indicators such as a decline in market value of company assets, any current period operating losses, the statutory and regulatory environment the company operates in, major losses of employees or clients or changes in market interest rates

### 3 Analysis of Turnover

Turnover is attributable to the following markets:

	2020 \$'000	2019 \$'000
United Kingdom	5,446	5,329
North America	19,898	23,481
Australia & Far East	769	2,303
Other	233	123
	<u>26,346</u>	<u>31,236</u>

### 4 Operating Profit

	2020 \$'000	2019 \$'000
This is arrived at after charging:		
Depreciation	99	121
Hire of other assets - operating leases	63	66
Auditor's remuneration:		
- Fees payable to the Company auditor for the audit of the Company's annual financial statements	30	30
Exchange differences – loss/(gain)	6	(10)
	<u></u>	<u></u>

### 5 Employees

	2020 \$'000	2019 \$'000
Staff costs (including directors) consist of:		
Wages and salaries	11,647	14,908
Social security cost	588	704
Share based payment (see note 18)	151	173
	<u>12,386</u>	<u>15,785</u>

The average number of employees (including directors) during the year was 61 (2019 - 73).

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 6 Director's remuneration

	2020 \$'000	2019 \$'000
Remuneration as directors and highest paid director	456	471

## 7 Interest payable and similar charges

	2020 \$'000	2019 \$'000
Bank charges	25	44

## 8 Taxation on loss on ordinary activities

	2020 \$'000	2019 \$'000
Current tax on foreign income	12	25
Total current tax credit for year	12	25

The tax assessed for the year at the standard rate of corporation tax applied in the UK reconciled to the profit before tax is:

	2020 \$'000	2019 \$'000
Profit/(loss) on ordinary activities before tax	820	(1,844)
Tax on loss at the average rate of 19% (2019 - 19%)	156	(350)
Expenses not deductible for tax purposes	33	42
Deferred tax not recognised	5	(1)
Foreign PE exemption	(194)	309
Foreign tax	12	25
Total tax amount as above	12	25

### Factors that may affect future tax charges

The Company has significant tax losses of \$22,982,000 (2019 - \$25,653,000) which can be used against future taxable profits. No deferred tax asset has been recognised in respect of these losses as their utilisation in the foreseeable future is uncertain.

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (*continued*)

## 9 Tangible fixed assets

	Computer equipment \$'000	Fixtures, fittings and equipment \$'000	Total \$'000
<i>Cost</i>			
At 1 January 2020	713	97	810
Additions	12	-	12
	<hr/>	<hr/>	<hr/>
At 31 December 2020	<b>725</b>	<b>97</b>	<b>822</b>
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2020	562	86	648
Charge for the year	96	3	99
	<hr/>	<hr/>	<hr/>
At 31 December 2020	<b>658</b>	<b>89</b>	<b>747</b>
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2020	<b>67</b>	<b>8</b>	<b>75</b>
	<hr/>	<hr/>	<hr/>
At 31 December 2019	151	11	162
	<hr/>	<hr/>	<hr/>

## 10 Fixed asset investments

	Investment \$'000
Cost and net book value at 1 January 2020 and at 31 December 2020	4
	<hr/>

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 10 Fixed asset investments (continued)

The principal undertakings in which the Company's interest at the year-end are as follows:

Name	Country of incorporation or registration	Registered address	Proportion of voting rights	Nature of business
Nlyte Software India LLP	India	Flat No 202, Gangadhar Parvati Apartments, Survey No 1815, Near Vidyarthi Gruh, Sadashiv Peth, Pune Maharashtra-411030 India	49%	Sales agent

## 11 Debtors

	2020 \$'000	2019 \$'000
Trade debtors	3,708	2,934
Amount owed by other group undertaking	7,798	7,250
Other debtors	1	24
Prepayment and accrued income	894	2,358
	<u>12,401</u>	<u>12,566</u>

All amounts shown under debtors fall due for payment within one year.

Amount owed by other group undertaking is unsecured, repayable on demand and non-interest bearing

## 12 Creditors: amounts falling due within one year

	2020 \$'000	2019 \$'000
Trade creditors	527	283
Amount owed to parent company	18,275	21,601
Taxation and social security	61	17
Accruals and deferred income	8,346	7,726
	<u>27,209</u>	<u>29,627</u>

Amount owed to parent company is unsecured, repayable on demand and non-interest bearing

## 13 Creditors: amounts falling due after one year

	2020 \$'000	2019 \$'000
Accruals and deferred income	1,655	562
	<u>1,655</u>	<u>562</u>

# Nlyte Software Americas Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 14 Financial Instruments

The Company's financial instruments may be analysed as follows:

	2020 \$'000	2019 \$'000
<b>Financial assets</b>		
Financial assets measured at cost less any impairment.	12,356	11,169
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	21,099	23,918

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by group companies.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and provisions.

## 15 Called up share capital

	2020 Number	Allotted, called up and fully paid 2020 \$'000	2019 Number	2019 \$'000
Ordinary shares of £1.00 each	3	-	3	-

## 16 Reserves

### Profit and loss account

Profit and loss account - includes all current and prior period retained profits and losses.

### Other Reserves

Other reserves- relates to trade assets and liabilities acquired as part of a group reorganisation in 2010.

## 17 Commitments under operating leases

Minimum lease payments under non-cancellable operating leases are set out below:

	Land and buildings 2020 \$'000	Land and buildings 2019 \$'000
Operating leases which expire:		
Not later than one year	63	61
Later than 1 year and not later than 5 years	163	220
	226	281

# Nlyte Software Americas Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

### 18 Share based payment

The ultimate parent company operates an Enterprise Management Incentive ("EMI") scheme for the Company's employees.

Under the EMI scheme, 25% of the share options granted vest on the first anniversary of the grant, with the balance vesting monthly until all the share options are vested 48 months from the date of grant.

The weighted average exercise price of options outstanding at the end of the year was 60.00p (2019 - 60.00p) and their weighted average contractual life was 40 months (2019 - 40 months).

There were 2,686,322 (2019 - 2,751,013) options outstanding to employees of the Company at the end of the year.

Of the total number of options outstanding at the end of the year 2,239,352 (2019 - 2,165,298) had vested and were exercisable at the end of the year.

The share-based remuneration expense comprises:

	2020 \$'000	2019 \$'000
Equity-settled schemes	151	173

The ultimate parent company did not enter into any share-based payment transactions with parties other than employees during the current or previous year.

### 19 Related party transactions

The total compensation paid to key management personnel for services provided to the Company was \$1,923,860 (2019 - \$2,042,000).

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the Nlyte Software Limited group. There are no other related party transactions not included within this exemption.

### 20 Ultimate parent company and controlling party

The ultimate parent company is Nlyte Software Limited, a company registered in England. In the opinion of the directors of Nlyte Software Limited, the ultimate parent company has no ultimate controlling party. The registered office of the parent company is Riverside House, 26 Osiers Road, London, SW18 1NH. Copies of the consolidated financial statements of Nlyte Software Limited are available from Companies House.