

EXUS SOFTWARE LTD
UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 DECEMBER 2018

EXUS SOFTWARE LTD
REGISTERED NUMBER: 07932357

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 €	2017 €
Fixed assets			
Intangible assets	5	251,674	368,648
Tangible assets	6	12,593	12,221
Investments	7	42,000	42,126
		<hr/> 306,267	<hr/> 422,995
Current assets			
Debtors: amounts falling due within one year	8	2,396,417	962,166
Cash at bank and in hand	9	637,789	4,087,774
		<hr/> 3,034,206	<hr/> 5,049,940
Creditors: amounts falling due within one year	10	(2,759,273)	(4,531,499)
		<hr/> 274,933	<hr/> 518,441
Net current assets			
		<hr/> 581,200	<hr/> 941,436
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	11	(147,943)	(829,352)
		<hr/> 433,257	<hr/> 112,084
Net assets			
		<hr/> <hr/> 433,257	<hr/> <hr/> 112,084
Capital and reserves			
Called up share capital	13	128,196	128,196
Profit and loss account		305,061	(16,112)
		<hr/> 433,257	<hr/> 112,084

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

David Rampling

EXUS SOFTWARE LTD
REGISTERED NUMBER: 07932357

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

Director

Date: 5 September 2019

The notes on pages 4 to 14 form part of these financial statements.

EXUS SOFTWARE LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital €	Profit and loss account €	Total equity €
At 1 January 2017	128,196	286,548	414,744
Loss for the year	-	(302,660)	(302,660)
At 1 January 2018	128,196	(16,112)	112,084
Profit for the year	-	321,173	321,173
At 31 December 2018	<u>128,196</u>	<u>305,061</u>	<u>433,257</u>

The notes on pages 4 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

Exus Software Ltd (the company) is a private company limited by shares incorporated and domiciled in England & Wales, its company registration number is 07932357. Its registered office is Tower 42, 25 Old Broad Street, London, EC2N 1PB.

The principal activity of the company throughout the current and previous year was the supply and implementation of UK software products, primarily selling to customers in the rest of Europe and the Middle East, serviced from the company in the UK and from the Exus Software Branch which is located in Athens, Greece.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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.

2.2 Exemption from preparing consolidated financial statements

The company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Euro. The exchange rate at the reporting date was €1.1335 for every £1 (2017 - €1.1256).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Revenue

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

Software products and implementation services

Most contracts entered into by the customer involve: (i) the payment of an initial licence fee which allows for the use of the company's products, usually restricted by the number of employees, the number of users, or the licence term, (ii) the payment of a fee in relation to the implementation or customisation of the company's off-the-shelf software for the end user, (iii) the payment of a fee for ongoing maintenance of the software, training or consultancy, and (iv) the payment of a fee for provision of support services.

Licence fees are recognised as revenue upon product shipment, provided a signed agreement is in place, fees are fixed or determinable, no significant vendor obligations remain and collection of the resulting debt is deemed probable. Fees from licences sold together with consulting services are generally recognised upon shipment provided that the above criteria have been met and payment of the licence fees are not dependent on the performance of the consulting services. In instances where a significant vendor obligation exists, revenue recognition is delayed until the obligation has been satisfied. No revenue is recognised for multiple deliveries or multiple element products if an element of the contract remains undelivered and is essential to the functionality of the elements already delivered.

Where these criteria are not met, both the licence and consulting fees are recognised under the percentage completion method of accounting.

Implementation and customisation fees are recognised as revenue on a percentage of completion basis over the period from delivery of the product to customer acceptance. The degree of completion of a contract is measured using the costs incurred to date or milestones reached, depending upon the nature of the individual contract and the most appropriate measure of the percentage of completion. Losses on contracts are recognised as soon as a loss is foreseen by reference to the estimated costs of completion.

Maintenance fees generally call for the company to provide technical support to customers. Revenue on technical support is recognised on a pro-rata basis over the contract period. Payments for maintenance fees are generally made in advance and are non-refundable.

Revenue from support services for training, implementation, consulting and other services is recognised as the services are performed.

revenue also includes, where applicable, the expenses and disbursements recoverable from customers.

Grant-funded development income

Grant-funded development income is accounted for under the accrual model. Revenue is recognised when the grant has been earned, it can be matched with corresponding development expenditure, which is recognised as an expense when incurred and there is no likelihood that the income will be refundable at any time. Income received not meeting these criteria is included in current and non-current liabilities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Revenue (continued)

Royalties

The company also earns a royalty fee under the Reseller Agreement with Exodus S.A. for the use of trademarks and brand name.

Sale of rights

The company owns and develops intellectual property and revenue from the sale of intellectual property is recognised upon electronic delivery to the customer, provided a signed agreement is in place.

Market research

The company conducts market research for its own use and for sale. Revenue from these sales is recognised when the research has been concluded.

2.5 Cost of sales

Cost of sales represents payroll and other employee expenses and amounts payable for services rendered directly related to software supply and implementation services, and grant funded development income.

2.6 Administration expenses

Administration expenses, which are recognised on an accruals basis, include all indirect payroll costs and related employee expenses and general administration expenses which cannot be allocated directly to software sales and implementation services or grant funded development expenditure.

2.7 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	3-5 years straight line
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-
	2 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Debtors

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

2.16 Cash and cash equivalents

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

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

3. Turnover

Analysis of turnover by country of destination:

	2018	Audited 2017
	€	€
United Kingdom	-	141,142
Rest of Europe	3,589,344	2,541,768
Rest of World	1,681,350	1,971,692
	<u>5,270,694</u>	<u>4,654,602</u>

4. Employees

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

	2018	Audited 2017
	No.	No.
London	8	7
Athens	48	50
	<u>56</u>	<u>57</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Intangible assets

	Software
	€
Cost	
At 1 January 2018	1,099,894
	<hr/>
At 31 December 2018	1,099,894
	<hr/>
Amortisation	
At 1 January 2018	731,246
Charge for the year	116,974
	<hr/>
At 31 December 2018	848,220
	<hr/>
Net book value	
At 31 December 2018	251,674
	<hr/>
At 31 December 2017	368,648
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Intangible assets comprise of computer software; the company's Exus Financial Suite (EFS) solution for debt collections and the Hotel Guest Marketing Software (Altaguest) for the company's own use. EFS and Altaguest were created by an affiliated company, EXUS S.A, for the company's specific requirements. The EFS is carried at €251,674 (2017 - €368,648) and has a remaining amortisation period of 3 years and Altaguest was fully amortised in 2017. The company has exclusive rights to market the EFS.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Tangible assets

	Office equipment €
Cost or valuation	
At 1 January 2018	14,672
Additions	4,187
	<hr/>
At 31 December 2018	18,859
	<hr/>
Depreciation	
At 1 January 2018	2,451
Charge for the year on owned assets	3,815
	<hr/>
At 31 December 2018	6,266
	<hr/>
Net book value	
At 31 December 2018	12,593
	<hr/>
At 31 December 2017	12,221
	<hr/>

7. Investments

	Investments in subsidiary companies €
Cost or valuation	
At 1 January 2018	42,126
Disposals	(126)
	<hr/>
At 31 December 2018	42,000
	<hr/>

The brought forward fixed asset investments balance includes a €126 investment in Owayne Ltd, a dormant company incorporated in England & Wales that was dissolved on 12 January 2018 and is included as a disposal in the year ended 31 December 2018. An investment of €1,000 (2017 - €1,000) is also held in Exus Software, a dormant company incorporated in Cyprus and a further €41,000 (2017 - €41,000) investment is held in Exus Software Hellas, a company incorporated in Greece.

Owayne Ltd was acquired to protect certain rights and Exus Software Hellas holds non-executive rights to the company's alltaguest source code.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Debtors

	2018 €	Audited 2017 €
Trade debtors	1,247,918	569,140
Other debtors	451,715	225,496
Prepayments and accrued income	39,093	33,076
Tax recoverable	16,373	16,569
Deferred taxation	211,729	5,412
Grants paid in advance	429,589	112,473
	<u>2,396,417</u>	<u>962,166</u>

9. Cash and cash equivalents

	2018 €	Audited 2017 €
Cash at bank and in hand	<u>637,789</u>	<u>4,087,774</u>

10. Creditors: Amounts falling due within one year

	2018 €	Audited 2017 €
Trade creditors	331,653	60,006
Deferred grant income	921,639	883,205
Other taxation and social security	212,564	275,671
Other creditors	159,293	-
Accruals and deferred income	1,134,124	3,312,617
	<u>2,759,273</u>	<u>4,531,499</u>

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

	2018 €	Audited 2017 €
Deferred grant income	<u>147,943</u>	<u>829,352</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Deferred taxation

	2018 €	Audited 2017 €
At beginning of year	(5,412)	45,699
Charged to profit and loss	(206,317)	(51,111)
At end of year	(211,729)	(5,412)

The deferred tax asset is made up as follows:

	2018 €	Audited 2017 €
Accelerated capital allowances	44,925	72,365
Tax losses carried forward	(256,654)	(77,777)
	(211,729)	(5,412)

13. Share capital

	2018 €	Audited 2017 €
Authorised, allotted, called up and fully paid		
53,178 (2017 - 53,178) A Shares shares of €1.20294 each	63,970	63,970
53,391 (2017 - 53,391) B Shares shares of €1.20294 each	64,226	64,226
	128,196	128,196

14. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to €4,347 (2017 - €806). Nothing was outstanding at the reporting date in this respect (2017 - €nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Related party transactions

Paveway Enterprises Limited is considered to be a related party of the company as it owns 50.1% of the issued share capital. There were no transactions in the year with this company (2017 - none).

Georgios Konstantinidis, director, and his wife Sofia Laskou, employee, are the co-owners of Paveway Enterprises Limited therefore both are considered to be related parties. With the exception of directors remuneration of €126,406 (2017 - €127,982) paid to Georgios Konstantinidis in his capacity as director of Exus Software Limited and €117,374 (2017 - €118,841) paid to Sofia Laskou in her capacity as Senior Project Manager - Business Analyst within Exus Software Ltd, there were no other transactions in this respect.

Exodus S.A. is considered to be a related party of the company as it is an associated company of Piraeus Bank S.A who own 49.9% of the issued share capital. During the year EFS software of €nil (2017 - €419,453) was purchased by the company from Exodus S.A. and included within intangible assets. Furthermore, services of €nil (2017 - £502,466) were purchased by the company from Exodus S.A and are included within other operating expenditure. Turnover includes software support services of €297,898 (2017 - €nil). The total amount due by Exodus S.A. at 31 December 2018 was €94,905 (2017 - €9,319 due from Exodus S.A.).

Piraeus Bank S.A. London Branch is considered to be a related party of the company as it is a branch of Piraeus Bank S.A. The fixed cost to Piraeus Bank S.A. London Branch of providing this accommodation is estimated at €31,000 (2017 - €31,000).

Piraeus Bank Romanis S.A. is considered to be a related party of the company as it is a subsidiary of Piraeus Bank S.A. Piraeus Bank S.A disposed of Piraeus Bank Romanis S.A on 29 June 2018, at this date it ceased to be a related party of Exus Software LTD. Turnover includes software support services invoiced to Piraeus Bank Romanis S.A up to 29 June 2018 of €134,087 (2017 - €34,315).

Piraeus Bank Beograd A.D. is considered to be a related party of the company as it is a subsidiary of Piraeus Bank S.A. Piraeus Bank S.A disposed of Piraeus Bank Beograd A.D on 23 April 2018, at this date it ceased to be a related party of Exus Software LTD. The total amount due from Piraeus Bank Beograd A.D. at 31 December 2018 was €2,900 (2017 - €20,075). Turnover includes software support services invoiced to Piraeus Bank Beograd A.D up to 23 April 2018 of €Nil (2017 - €20,075).

Tirana Bank I.B.C S.A. is considered to be a related party of the company as it is a subsidiary of Piraeus Bank S.A. The total amount due from Tirana Bank I.B.C. S.A. at 31 December 2018 was €nil (2017 - €nil). Turnover includes software support services of €14,000 (2017 - €14,000).

16. Controlling party

Piraeus Bank S.A. owns 49.9% of the company's issued share capital and Paveway Enterprises Limited (a special purpose entity incorporated in Cyprus) owns 50.1% of the company's issued share capital. There is no controlling shareholding in Paveway Enterprises Limited. The directors consider Paveway Enterprises Limited to be the ultimate parent undertaking and the ultimate controlling party on the basis of control.

The company has taken the small companies exemption not to produce consolidated accounts as it forms part of a small group.

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.