

EXUS SOFTWARE LIMITED

CONSOLIDATED
FINANCIAL STATEMENTS

31 DECEMBER 2019

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

EXUS SOFTWARE LIMITED

COMPANY INFORMATION

Directors	Georgios Konstantinidis Michail Melachroinidis David Rampling
Registered number	07932357
Registered office	Tower 42 Old Broad Street London EC2N 1PB
Independent auditors	MHA Macintyre Hudson Chartered Accountants & Statutory Auditors 6th Floor 2 London Wall Place London EC2Y 5AU
Accountants	Armstrong Watson LLP Fairview House Victoria Place Carlisle Cumbria CA1 1HP
Bankers	HSBC Plc 1 South Place The Helicon London EC2M 2UP Natwest Bank Plc 26 Spring Street Tyburnia London W2 1JA Piraeus Bank S.A Tower 42 25 Old Broad Street London EC2N 1PB

EXUS SOFTWARE LIMITED

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EXUS SOFTWARE 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.

Principal activity

The principal activity of the group throughout the current and previous year was the supply and implementation of software products, primarily selling to customers in the rest of Europe and the Middle East, serviced from the company in the UK, which includes the Exus Software Branch located in Athens, and Exus Software M.E.P.E, a subsidiary of the company also located in Athens.

Directors

The directors who served during the year were:

Georgios Konstantinidis
Michail Melachroinidis
David Rampling

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

Post balance sheet events

Subsequent to the year end, the COVID-19 virus pandemic struck globally. Following Government advice in both the UK and Greece territories, the group had to temporarily stop all onsite installations due to restrictions on movement to limit the spread of the virus.

The group has had access to technology which facilitates remote installation of its software, and as a result they have been able to continue to provide its services to its customers, albeit behind schedule.

Once the restrictions have fully eased, the group should be able to resume its growth strategy as the nature of the 'debt collection' software will be more sought after should there be a worldwide recession. No contracts have been lost during the lockdown period. However there is some revenue reduction risk due to delays in execution of projects as well as due to customers requesting discounts.

Please see accounting policy 2.3 to the accounts where the directors have outlined the financial implications of COVID-19 on the group, and why they deem the group a going concern.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

EXUS SOFTWARE LIMITED

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

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

David Rampling
Director

Date: 30 September 2020

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

The directors are responsible for preparing the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EXUS SOFTWARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXUS SOFTWARE LIMITED

Opinion

We have audited the financial statements of Exus Software Ltd (the 'Parent company') and its subsidiaries (the 'Group') for the year ended 31st December 2019 which comprise of the Consolidated statement of income and retained earnings, the Company and Consolidated statements 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 Reporting Standard 102 section 1a *The Financial Reporting Standard applicable to small entities in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements of the company:

- Give a true and fair view of the state of the Group and Parent company's affairs as at 31st December 2019 and of the Group profit for the year then ended;
- The Group and Parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirement 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 Auditors' Responsibilities for the Audit of our report. We are independent of the Group and Parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

Other matters

The comparative financial statements are unaudited.

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 going concern basis of accounting in preparation of 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 Group or Parent company's ability to continue to adopt the going concern basis of accounting for period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXUS SOFTWARE LIMITED (CONTINUED)

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 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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Opinion on other matters prescribed by the Companies Act 2006

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

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 Group and Parent 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXUS SOFTWARE LIMITED (CONTINUED)

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

A further description for the audit of financial statements is located on the FRCs website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our auditor's report.

Use of our report

This report is made solely to the Group and Parent 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.

Rakesh Shaunak (Senior Statutory Auditor)

for and on behalf of
MHA Macintyre Hudson

Statutory Auditors

6th Floor
2 London Wall Place
London
EC2Y 5AU

30 September 2020

EXUS SOFTWARE LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 €	As restated 2018 €
Turnover	6,354,931	5,286,334
Cost of sales	(4,550,738)	(3,580,243)
Gross profit	1,804,193	1,706,091
Administrative expenses	(973,691)	(1,603,215)
Operating profit	830,502	102,876
Interest payable and expenses	(170)	-
Profit before tax	830,332	102,876
Tax on profit	(251,294)	249,102
Profit after tax	579,038	351,978
Retained earnings at the beginning of the year attributable to the owners of the parent	209,897	33,556
Profit for the year attributable to the owners of the parent	290,098	176,341
Retained earnings at the end of the year attributable to the owners of the parent	499,995	209,897
Non-controlling interest at the beginning of the year	209,059	33,422
Profit for the year attributable to the non-controlling interest	288,940	175,637
Non-controlling interest at the end of the year	497,999	209,059

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 12 to 24 form part of these financial statements.

EXUS SOFTWARE LIMITED
REGISTERED NUMBER: 07932357

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

		2019	As restated 2018
	Note	€	€
Fixed assets			
Intangible assets	5	167,783	251,674
Tangible assets	6	21,765	12,593
		<u>189,548</u>	<u>264,267</u>
Current assets			
Debtors: amounts falling due within one year	8	2,837,195	2,451,094
Cash at bank and in hand		6,003,347	878,120
		<u>8,840,542</u>	<u>3,329,214</u>
Creditors: amounts falling due within one year	9	(6,931,106)	(2,898,386)
Net current assets		<u>1,909,436</u>	<u>430,828</u>
Total assets less current liabilities		<u>2,098,984</u>	<u>695,095</u>
Creditors: amounts falling due after more than one year	10	(970,439)	(147,943)
Provisions for liabilities			
Deferred taxation	11	(2,355)	-
		<u>(2,355)</u>	<u>-</u>
Net assets		<u><u>1,126,190</u></u>	<u><u>547,152</u></u>

EXUS SOFTWARE LIMITED
REGISTERED NUMBER: 07932357

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

	2019 €	As restated 2018 €
Capital and reserves		
Called up share capital	128,196	128,196
Profit and loss account	499,995	209,897
Equity attributable to owners of the parent company	<u>628,191</u>	<u>338,093</u>
Non-controlling interests	497,999	209,059
	<u><u>1,126,190</u></u>	<u><u>547,152</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

David Rampling
Director

Date: 30 September 2020

The notes on pages 12 to 24 form part of these financial statements.

EXUS SOFTWARE LIMITED
REGISTERED NUMBER: 07932357

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 €	2018 €
Fixed assets			
Intangible assets	5	167,783	251,674
Tangible assets	6	12,397	12,593
Investments	7	6,000	7,000
		<hr/>	<hr/>
		186,180	271,267
Current assets			
Debtors: amounts falling due within one year	8	2,857,676	2,474,202
Cash at bank and in hand		5,446,755	637,789
		<hr/>	<hr/>
		8,304,431	3,111,991
Creditors: amounts falling due within one year	9	(6,430,819)	(2,480,273)
		<hr/>	<hr/>
Net current assets		1,873,612	631,718
		<hr/>	<hr/>
Total assets less current liabilities		2,059,792	902,985
Creditors: amounts falling due after more than one year	10	(970,439)	(147,943)
Provisions for liabilities			
Deferred taxation	11	(2,355)	-
		<hr/>	<hr/>
		(2,355)	-
		<hr/>	<hr/>
Net assets		1,086,998	755,042
		<hr/>	<hr/>

EXUS SOFTWARE LIMITED
REGISTERED NUMBER: 07932357

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

	31 December 2019 €	As restated 31 December 2018 €
Capital and reserves		
Called up share capital	128,196	128,196
Profit and loss account brought forward	626,846	262,888
Profit for the year	331,956	363,958
Profit and loss account carried forward	958,802	626,846
	<u>1,086,998</u>	<u>755,042</u>

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

David Rampling

Director

Date: 30 September 2020

The notes on pages 12 to 24 form part of these financial statements.

EXUS SOFTWARE LIMITED

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

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 group throughout the current and previous year was the supply and implementation of software products, primarily selling to customers in the rest of Europe and the Middle East, serviced from the company in the UK, which includes the Exus Software Branch located in Athens, and Exus Software M.E.P.E, a subsidiary of the company also located in Athens.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

On 11 March 2020 the World Health Organisation declared Covid-19, a strain of the coronavirus, a world pandemic. The UK Government enforced a stop on non-essential trade and travel, and on 21 March 2020 the group had to adapt operationally. Severe restrictions in movement in both the UK and Greece meant that the group had to utilise technology to facilitating remote working and installations in order to continue trade.

The group has net current assets of €1,909k and net assets of €1,126k, following a consolidated profit in the period of €579k.

The group was successful in its growth strategy in the year to 31 December 2019 as consolidated revenue increased by €1,069k to €6,355k. This was largely due to increased popularity of the software in the Asian markets and the Middle East. Whilst the global pandemic has presented barriers to implementation, the group has still been able to service these existing clients via remote technology.

The directors have revised their cash flow forecasts for the group, prudently removing the majority of the forecasted growth, but given that the nature of the software is to improve debt recovery it is likely to be in demand should these economies enter a recession. As previously discussed, remote installation technology has also enabled the group to continue to trade during the lockdown period, reducing the impact during the restrictive period.

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

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The group's functional and presentational currency is Euro. The exchange rate at the reporting date was €1.1342 for every £1 (2018 - €1.1335).

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.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group 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

The group offers to its customers the products and services through the following models/contracts:

a. **Subscription model:** This involves (i) the annual/quarterly/monthly subscription fee for the license to use the software and the support and maintenance services and (ii) the fees for the project implementation services.

b. **Perpetual license model:** This involves (i) the license fee to use the software, (ii) the fees for the project implementation services, and (iii) the annual fees for support and maintenance

Beyond the above models, customers may order ad-hoc services that may include training, consulting, implementation of change requests etc.

Subscription fees are recognised on a pro-rata basis.

Perpetual 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

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

2. Accounting policies (continued)

2.5 Revenue (continued)

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 group 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 other services that may be ordered by a customer, eg: training, change requests, consulting, etc 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.

Sale of rights

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

2.6 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.

2.7 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.

2.8 Operating leases: the Group as lessee

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

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

2. Accounting policies (continued)

2.9 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.

2.10 Interest income

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

2.11 Finance costs

Finance costs are charged to the Consolidated Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated 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 Group in independently administered funds.

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

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.14 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	-	5 years straight line
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.15 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 methods detailed below.

Depreciation is provided on the following basis:

Office equipment	- 2 year straight line / 20% reducing balance
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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 Consolidated Statement of Income and Retained Earnings.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 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.

2.18 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.

2.19 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 2019**

2. Accounting policies (continued)

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Consolidated Statement of Income and Retained Earnings in the year that the Group 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.

2.21 Financial instruments

The Group 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 ordinary shares.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment of debtors - the group makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Implementation and customisation fees - these 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.

4. Employees

The average number of employees, including directors, in respect of the Group during the year was 59 (2018 - 56).

The average number of employees, including directors, in respect of the company during the year was 48 (2018 - 56)

EXUS SOFTWARE LIMITED

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

5. Intangible assets

Group and Company

	Software €
Cost	
At 1 January 2019	1,099,894
At 31 December 2019	1,099,894
Amortisation	
At 1 January 2019	848,220
Charge for the year on owned assets	83,891
At 31 December 2019	932,111
Net book value	
At 31 December 2019	167,783

6. Tangible assets

Group

	Office equipment €
Cost or valuation	
At 1 January 2019	18,859
Additions	13,711
At 31 December 2019	32,570
Depreciation	
At 1 January 2019	6,266
Charge for the year on owned assets	4,539
At 31 December 2019	10,805
Net book value	
At 31 December 2019	21,765

EXUS SOFTWARE LIMITED

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

6. Tangible assets (continued)

Company

	Office equipment €
Cost or valuation	
At 1 January 2019	18,859
Additions	4,136
	<hr/>
At 31 December 2019	22,995
	<hr/>
Depreciation	
At 1 January 2019	6,266
Charge for the year on owned assets	4,332
	<hr/>
At 31 December 2019	10,598
	<hr/>
Net book value	
At 31 December 2019	<u>12,397</u>

EXUS SOFTWARE LIMITED

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

7. Investments

Company

	Investments in subsidiary companies €
Cost or valuation	
At 1 January 2019 (as previously stated)	42,000
Prior Year Adjustment	(35,000)
	<hr/>
At 1 January 2019 (as restated)	7,000
Disposals	(1,000)
	<hr/>
At 31 December 2019	<u>6,000</u>

Investments in subsidiary companies relates to a 100% shareholding (100 Ordinary shares of €60 each) in Exus Software M.E.P.E, a company incorporated in Greece, its registered office address being Estias 1 & Mesogeion Ave 73-75, 115 26 Athens, Greece. The subsidiary has been included within the consolidation and was acquired to hold non-executive rights to the company's altaguest source code.

During the year the Group disposed of a wholly owned dormant subsidiary that was incorporated in Cyprus.

EXUS SOFTWARE LIMITED

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

8. Debtors

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Trade debtors	1,875,675	1,259,780	1,875,119	1,247,918
Other debtors	446,664	468,118	467,701	503,088
Prepayments and accrued income	30,388	39,093	30,388	39,093
Deferred taxation	-	254,514	-	254,514
Grants receivable	484,468	429,589	484,468	429,589
	<u>2,837,195</u>	<u>2,451,094</u>	<u>2,857,676</u>	<u>2,474,202</u>

9. Creditors: Amounts falling due within one year

	Group 2019 €	Group As restated 2018 €	Company 2019 €	Company As restated 2018 €
Trade creditors	987,070	470,765	535,782	52,652
Deferred grant income	1,845,576	921,639	1,845,576	921,639
Other taxation and social security	214,570	212,564	165,571	212,564
Other creditors	125,938	159,293	125,938	159,293
Accruals and deferred income	3,757,952	1,134,125	3,757,952	1,134,125
	<u>6,931,106</u>	<u>2,898,386</u>	<u>6,430,819</u>	<u>2,480,273</u>

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

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Accruals and deferred income	<u>970,439</u>	<u>147,943</u>	<u>970,439</u>	<u>147,943</u>

EXUS SOFTWARE LIMITED

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

11. Deferred taxation

Group

	2019 €	2018 €
At beginning of year	254,514	5,412
Charged to profit or loss	(256,869)	-
Utilised in year	-	249,102
At end of year	(2,355)	254,514

Company

	2019 €	2018 €
At beginning of year	254,514	5,412
Charged to profit or loss	(256,869)	-
Utilised in year	-	249,102
At end of year	(2,355)	254,514

	Group 2019 €	Group 2018 €	Company 2019 €	Company 2018 €
Accelerated capital allowances	(2,355)	(1,879)	(2,355)	(1,879)
Tax losses carried forward	-	256,393	-	256,393
	(2,355)	254,514	(2,355)	254,514

12. Prior year adjustment

Within the parent company figures the Branch and Head Office balances were incorrectly recorded in 2017 resulting in an additional charge to profit of €279,000. The reserves brought forward in 2018 have been increased by €279,000 to reinstate this balance.

Furthermore there has been a reclassification of the 2018 figures to move €35,000 on the company Statement of Financial Position, previously included as an investment in Exus Software M.E.P.E, to other debtors. This has had no effect on the profit at 31 December 2018 nor the opening reserve balance at 1 January 2019.

Finally, the 2018 company deferred tax balance has been restated to correct a calculation error. This has reduced liabilities and increased profit at 31 December 2018 by €42,785, subsequently opening reserves at 1 January 2019 have increased by this amount also.

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

13. Pension commitments

The parent company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the parent company in an independently administered fund. The pension cost charge represents contributions payable by the parent company to the fund and amounted to €1,416 (2018 - €339). No contributions were payable to the fund at the reporting date (2018 - same).

14. Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases totalling €15,563 (2018 - €35,869).

15. Related party transactions

There were no related party transactions not conducted at arms length.

16. Post balance sheet events

Subsequent to the year end, the COVID-19 virus pandemic struck globally. Following government advice in both the UK and Greece territories, the group had to temporarily stop all onsite installations due to restrictions on movement to limit the spread of the virus.

The group has had access to technology which facilitates remote installation of its software, and as a result they have been able to continue to provide its services to its customers, albeit behind schedule.

When government restrictions start to ease in the key Markets of SE Asia and the Middle East, the group will return to on-site implementation in addition to providing its remote services

17. Controlling party

Piraeus Bank S.A. owns 49.9% of the parent company's issued share capital and Paveway Enterprises Limited (a special purpose entity incorporated in Cyprus) owns 50.1% of the parent company's issued share capital. There is no controlling shareholding in Paveway Enterprises Limited, whose registered office address is Akadimias, 21, Kema Building, Floor 9, Aglantzia 2107, Lefkosia, Cyprus.

The directors consider Paveway Enterprises Limited to be the ultimate parent undertaking and the ultimate controlling party on the basis of control.

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