

EXUS SOFTWARE LTD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED

31 DECEMBER 2017



## EXUS SOFTWARE LTD

### COMPANY INFORMATION

**Directors**

Georgios Konstantinidis  
Ioannis Katsaros (resigned 27 July 2018)  
Michail Melachroinidis  
David Rampling  
Christopher Wheeler (resigned 30 June 2017)

**Registered number**

07932357

**Registered office**

Tower 42  
25 Old Broad Street  
London  
England  
EC2N 1PB

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

**Accountants**

Armstrong Watson LLP  
Fairview House  
Victoria Place  
Carlisle  
Cumbria  
CA1 1HP

**Bankers**

HSBC Plc  
1 South Place  
The Helicon  
London  
EC2M 2UP

HSBC Plc  
75 Whitechapel Road  
London  
E1 1DU

Piraeus Bank S.A  
Tower 42  
25 Old Broad Street  
London  
EC2N 1PB

# **EXUS SOFTWARE LTD**

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## **EXUS SOFTWARE LTD**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

#### **Principal activity**

The principal activities of the company are the marketing and supply of software products and corresponding implementation services and grant funded innovation research activities.

#### **Business review**

The company supplies state-of-the-art, reliable and innovative software tools and systems that combine the following characteristics:

- simplicity and ease of use
- promotes intelligent action through multiple levels within the target organisation

The company's principal product is the Exus Financial Suite ("EFS") which is a comprehensive debt collection software suite that manages credit risk throughout the lifecycle of accounts. The company made a loss for the financial year of €302,660 (2016: €174,179 profit). At 31 December 2017 the company had a net asset position of €112,084 (2016: €414,744). No dividend is proposed (2016: €nil).

Turnover increased by 69%. The company continued expand its base in the Middle East with four new EFS contracts with Oman Arab bank, Boubyan Bank KSC, Al-Falak Electronic Equipment and Supplies Co and Arab Bank PLC. It also expanded in the market of South East Asia with a new EFS contract with Siam Commercial Bank, the second largest commercial bank in Thailand. Software support and development services increased in Greece, Albania (Vodafone) and the U.K.(Vodafone) and new EFS contracts were signed with Sberbank Croatia and Bawag PSK in Austria.

In 2017 four new grants with the European Commission were approved and one new grant with Innovate UK; in total fourteen grants are currently live.

#### **Directors**

The directors who served during the year were:

Georgios Konstantinidis  
Ioannis Katsaros (resigned 27 July 2018)  
Michail Melachroinidis  
David Rampling  
Christopher Wheeler (resigned 30 June 2017)

## **EXUS SOFTWARE LTD**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **Principal risks and uncertainties**

The company's operations expose it to a variety of financial risks, principally credit risk and liquidity risk. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board.

##### **Credit risk**

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to customers. Risk control assesses the credit quality of the customer receivables by taking into account their financial position, past experience and other factors. The amount of exposure to any individual customer is monitored regularly by the finance department and at meetings of the board.

##### **Liquidity risk**

The company monitors cash flow against budgets and flexed forecasts that are designed to ensure it has sufficient available funds for operations and planned expansions.

##### **Brexit risk**

Software sales are made under existing fiscal arrangements between the UK and other nations any change to those fiscal arrangements may impact the competitiveness of the company.

EU grant funded innovation research activities have been directly affected by the UK withdrawal from the EU. The UK will continue to participate in existing programmes until their closure but the scope for new participations is limited unless and until new arrangements are negotiated between the UK and the EU.

#### **Future developments**

The company's future plans include the following:

- further building on its success in both Islamic banking and its Mediterranean footprint by contracting additional customers;
- expand the innovation activities of the Company; and
- identify and analyse new target markets and products.

#### **Qualifying third party indemnity provisions**

The directors benefited from qualifying third party indemnity provisions in place during the year.

##### **Going concern**

The accompanying financial statements have been prepared on the assumption that the company will continue as a going concern. The demand for company's products in the geographical sectors in which it operates are favourable and the directors see positive opportunities for growth in the business the near future. For this reason, the directors have adopted the going concern basis in the preparation of the financial statements.

#### **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'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's auditors are aware of that information.

**EXUS SOFTWARE LTD**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**Auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**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.

As a small company, the company is exempt from the requirement to prepare a Strategic Report.

**Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

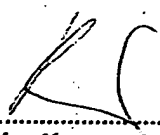
In preparing these financial statements, the directors are required to

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

The directors are 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.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

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

  
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**Georgios Konstantinidis**  
Director

Date: 27/9/18

# ***Independent auditors' report to the members of Exus Software Ltd***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Exus Software Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2017; the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### *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 of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



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**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

*Gemma Clark*

Gemma Clark (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
27 September 2018

**EXUS SOFTWARE LTD**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

		2017 €	As restated 2016 €
Turnover		4,654,602	2,749,479
Cost of sales		(2,998,188)	(1,819,405)
<b>Gross profit</b>		<b>1,656,414</b>	<b>930,074</b>
Administrative expenses		(1,553,220)	(713,890)
Other operating expenditure		(502,466)	-
<b>Operating (loss)/profit</b>	5	<b>(399,272)</b>	<b>216,184</b>
Interest receivable and similar income		35	-
<b>(Loss)/profit before tax</b>		<b>(399,237)</b>	<b>216,184</b>
Tax on (loss)/profit	7	96,577	(42,005)
<b>(Loss)/profit for the financial year</b>		<b>(302,660)</b>	<b>174,179</b>

Details regarding the comparative restatement is included in note 18 of the financial statements.

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: €NIL).

The notes on pages 12 to 28 form part of these financial statements.

**EXUS SOFTWARE LTD**  
**REGISTERED NUMBER: 07932357**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	2017 €	2016 €
<b>Fixed assets</b>			
Intangible assets	8	368,648	235,848
Tangible assets	9	12,221	1,435
Investments	10	42,126	6,126
		<u>422,995</u>	<u>243,410</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	962,166	547,530
Cash at bank and in hand	12	4,087,774	8,759,406
		<u>5,049,940</u>	<u>9,306,936</u>
Creditors: amounts falling due within one year	13	(4,531,499)	(8,296,517)
<b>Net current assets</b>		<u>518,441</u>	<u>1,010,419</u>
<b>Total assets less current liabilities</b>		<u>941,436</u>	<u>1,253,829</u>
Creditors: amounts falling due after more than one year	14	(829,352)	(793,386)
<b>Provisions for liabilities</b>			
Deferred tax	16	-	(45,699)
		<u>-</u>	<u>(45,699)</u>
<b>Net assets</b>		<u>112,084</u>	<u>414,744</u>
<b>Capital and reserves</b>			
Called up share capital	17	128,196	128,196
Profit and loss account		(16,112)	286,548
<b>Total equity</b>		<u>112,084</u>	<u>414,744</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:

  
 Georgios Konstantinidis  
 Director

  
 David Rampling  
 Director

Date: 27 September 2018

The notes on pages 12 to 28 form part of these financial statements.

# EXUS SOFTWARE LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Profit and loss account	Total equity
	€	€	€
At 1 January 2017	128,196	286,548	414,744
<b>Comprehensive income for the year</b>			
Loss for the year	-	(302,660)	(302,660)
<b>At 31 December 2017</b>	<b>128,196</b>	<b>(16,112)</b>	<b>112,084</b>

The notes on pages 12 to 28 form part of these financial statements.

**EXUS SOFTWARE LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	€	€	€
At 1 January 2016	128,196	112,369	240,565
<b>Comprehensive income for the year</b>			
Profit for the year	-	174,179	174,179
<b>At 31 December 2016</b>	<b>128,196</b>	<b>286,548</b>	<b>414,744</b>

The notes on pages 12 to 28 form part of these financial statements.

**EXUS SOFTWARE LTD**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 €	2016 €
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(302,660)	174,179
<b>Adjustments for:</b>		
Amortisation of intangible assets	286,653	202,751
Depreciation of tangible assets	2,164	287
Interest received	(35)	-
Taxation charge	(96,577)	42,005
(Increase) in debtors	(512,921)	(100,332)
(Decrease)/increase in creditors	(3,692,480)	8,581,910
Increase/(decrease) in amounts owed to groups	103,698	(428,484)
Corporation tax received	8,893	2,100
<b>Net cash generated from operating activities</b>	<b>(4,203,265)</b>	<b>8,474,416</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(419,453)	-
Purchase of tangible fixed assets	(12,949)	(1,723)
Purchase of fixed asset investments	(36,000)	(126)
Interest received	35	-
<b>Net cash from investing activities</b>	<b>(468,367)</b>	<b>(1,849)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,671,632)</b>	<b>8,472,567</b>
Cash and cash equivalents at beginning of year	8,759,406	286,839
<b>Cash and cash equivalents at the end of year</b>	<b>4,087,774</b>	<b>8,759,406</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,087,774	8,759,406
	<b>4,087,774</b>	<b>8,759,406</b>

The notes on pages 12 to 28 form part of these financial statements.

## EXUS SOFTWARE LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 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 judgment in applying the company's accounting policies (see note 3).

##### 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 Going concern

At the reporting date and company had net assets of €112,084 (2016 - €414,744). The directors have adopted a going concern basis in the preparation of these financial statements as the demand for the company's products in the geographical markets in which it operates are favourable, and the directors are certain there will be positive opportunities for growth in the near future.

##### 2.4 Foreign currency translation

###### Functional and presentation currency

The company's functional and presentational currency is Euro. The exchange rate at the reporting date was €1.1256 for every £1 (2016 - €1.1723).

###### 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.

## EXUS SOFTWARE LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 2. Accounting policies (continued)

##### 2.5 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 2017**

**2. Accounting policies (continued)**

**2.5 Revenue (continued)**

**Royalties**

The company also earns a royalty fee under the Reseller Agreement with Exoduc 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.

**2.6 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 company as lessee**

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

**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 Statement of Comprehensive Income using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**2. Accounting policies (continued)**

**2.11 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 Comprehensive Income 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.

**2.12 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

**2.13 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 2017**

**2. Accounting policies (continued)**

**2.14 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
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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 Statement of Comprehensive Income.

**2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.16 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.

**2.17 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

**2.18 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 2017**

**2. Accounting policies (continued)**

**2.19 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 Comprehensive Income 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.

**2.20 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. Judgments 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 company 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 company 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.

# EXUS SOFTWARE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 4. Turnover

Analysis of turnover by country of destination:

	2017 €	2016 €
United Kingdom	141,142	-
Rest of Europe	2,541,768	2,099,876
Rest of World	1,971,692	649,603
	<u>4,654,602</u>	<u>2,749,479</u>

### 5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2017 €	2016 €
Staff costs		
Wages and salaries	2,478,573	506,575
Social security costs	458,061	69,562
Pension costs	806	-
Other staff costs	362,094	29,869
	<u>3,698,458</u>	<u>606,006</u>
Exchange differences	62,120	(10,264)
Rental expenses for buildings	18,490	18,343
Amortisation (note 8)	286,653	202,751
Depreciation (note 9)	2,164	287
Services provided by the company's auditor:		
Fees payable for the audit	39,729	44,132
Research and developments costs	<u>502,466</u>	<u>-</u>

# EXUS SOFTWARE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 6. Employees

Three directors received aggregate salaries and other short term benefits for their services of €283,719 (2016 - €171,093). The other directors received no emoluments for their services in respect of the company during 2017 (2016 - €nil).

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

	2017 No.	2016 No.
London	7	6
Athens	50	8
	<u>57</u>	<u>14</u>

Staff costs are included in note 5 to the financial statements.

### 7. Taxation

	2017 €	2016 €
<b>Corporation tax</b>		
Current tax on profits for the year	-	36,573
Adjustments in respect of previous periods	(45,466)	(2,100)
	<u>(45,466)</u>	<u>34,473</u>
<b>Total current tax</b>	<u>(45,466)</u>	<u>34,473</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(51,111)	(42,021)
Utilised losses	-	49,553
	<u>(51,111)</u>	<u>7,532</u>
<b>Total deferred tax</b>	<u>(51,111)</u>	<u>7,532</u>
<b>Taxation on profit on ordinary activities</b>	<u>(96,577)</u>	<u>42,005</u>

# EXUS SOFTWARE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 7. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 €	2016 €
(Loss)/profit before taxation	<u>(399,237)</u>	<u>216,184</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(76,839)	43,237
<b>Effects of:</b>		
Expenses not deductible for tax purposes	128	2,627
Utilisation of tax losses	-	(49,553)
Adjustments to tax in respect of prior years	(45,466)	(2,100)
Short term timing difference leading to an increase in taxation	18,106	47,794
Other timing differences leading to an increase (decrease) in taxation	969	-
Double taxation relief	6,525	-
<b>Total tax charge for the year</b>	<u>(96,577)</u>	<u>42,005</u>

#### Factors that may affect future tax charges

The Finance (No.2) Act 2015, substantively enacted on 26 October 2015, reduced the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020, whilst the Finance Act 2016, substantively enacted on 6 September 2016, included a further reduction to the rate from 1 April 2020 to 17% (from 18%). This will reduce the company's future tax charges accordingly. The effects of these changes would also affect any deferred tax balances recognised at the reporting date.

# EXUS SOFTWARE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 8. Intangible assets

	Software €
<b>Cost</b>	
At 1 January 2017	680,441
Additions	419,453
At 31 December 2017	<u>1,099,894</u>
<b>Amortisation</b>	
At 1 January 2017	444,593
Charge for the year	286,653
At 31 December 2017	<u>731,246</u>
<b>Net book value</b>	
At 31 December 2017	<u>368,648</u>
At 31 December 2016	<u>235,848</u>

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 €368,651 (2016 - €69,182) and has a remaining amortisation period of 4 years and Altaguest is fully amortised this year (2016 - carried at €166,666). The company has exclusive rights to market the EFS.



# EXUS SOFTWARE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 9. Tangible assets

	Office equipment €
<b>Cost or valuation</b>	
At 1 January 2017	1,723
Additions	12,949
At 31 December 2017	<u>14,672</u>
<b>Depreciation</b>	
At 1 January 2017	287
Charge for the year on owned assets	2,164
At 31 December 2017	<u>2,451</u>
<b>Net book value</b>	
At 31 December 2017	<u>12,221</u>
At 31 December 2016	<u>1,436</u>

### 10. Investments

	Investments in subsidiaries €
<b>Cost or valuation</b>	
At 1 January 2017	6,126
Additions	36,000
At 31 December 2017	<u>42,126</u>
<b>Net book value</b>	
At 31 December 2017	<u>42,126</u>
At 31 December 2016	<u>6,126</u>

## EXUS SOFTWARE LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017.

#### 10. Investments (continued)

Fixed asset investments include €126 (2016 - €126) investment in Owayne Ltd, a dormant company incorporated in England & Wales that was dissolved on 12 January 2018, €1,000 (2016 - €nil) investment in Exus Software, a dormant company incorporated in Cyprus and €41,000 (2016 - €6,000) investment 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 altaguest source code.

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Exus Software Hellas	Greece	Ordinary	100 %	Software marketing, supply and implementation
Exus Software	Cyprus	Ordinary	100 %	Dormant
Owayne Limited	England & Wales	Ordinary	100 %	Dormant

The registered addresses of the subsidiary undertakings are as follows:

Exus Software Hellas	Estias 1 & Mesogeion Ave 73-75, 115 26 Athens, Greece
Exus Software	21 Academias Ave, KEMA Building, 9th Floor, 2107 Aglantzia, Nicosia, Cyprus
Owayne Limited	8th Floor, Tower 42, 25 Old Broad Street, London EC2N 1PB

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves €	Profit/(loss) €
Exus Software Hellas	35,828	381,259
Exus Software	1,000	-
Owayne Limited	126	-

Amounts as at 31 December 2016 were as follows:

Exus Software Hellas	6,000	(386,431)
Exus Software	-	-
Owayne Limited	126	-

# EXUS SOFTWARE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 11. Debtors

	2017 €	2016 €
Trade debtors	569,140	352,752
Amounts owed by group undertakings (note 21)	-	103,698
Other debtors	225,496	38,871
Prepayments and accrued income	33,076	4,402
Tax recoverable	16,569	12,314
Deferred taxation	5,412	-
Grants receivable	112,473	35,493
	<u>962,166</u>	<u>547,530</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The provision for doubtful debts at the reporting date was £nil (2016 - £nil).

### 12. Cash and cash equivalents

	2017 €	2016 €
Cash at bank and in hand	<u>4,087,774</u>	<u>8,759,406</u>

### 13. Creditors: Amounts falling due within one year

	2017 €	2016 €
Trade creditors	60,006	83,447
Corporation tax	-	36,573
Deferred grant income	883,205	1,391,130
Grant funds due to partners	3,129,846	6,525,882
Other taxation and social security	275,671	-
Accruals and deferred income	182,771	259,485
	<u>4,531,499</u>	<u>8,296,517</u>

Deferred grant income relates to UK and EU grants awarded to the company against costs incurred on specific innovation and technology programmes to drive science and technology innovations in the EU. Grant funds due to partners is income received by the company in their capacity as lead programme manager and is due to be paid to third party partners at the reporting date.

# EXUS SOFTWARE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 14. Creditors: Amounts falling due after more than one year

	2017 €	2016 €
Deferred grant income	829,352	793,386

### 15. Financial instruments

	2017 €	2016 €
<b>Financial assets measured at amortised cost:</b>		
Cash at bank and in hand	4,087,774	8,759,406
Trade debtors	569,140	352,752
Amounts owed by group undertakings	-	103,698
Grants receivable	112,473	35,493
	<u>4,769,387</u>	<u>9,251,349</u>

#### Financial liabilities measured at amortised cost:

Trade creditors	60,006	83,447
Grant funds due to partners	3,129,846	6,525,882
Accruals	38,817	134,689
	<u>3,228,669</u>	<u>6,744,018</u>

### 16. Deferred taxation

	2017 €	2016 €
At beginning of year	45,699	38,167
Charged to profit and loss	(51,111)	7,532
<b>At end of year</b>	<u>(5,412)</u>	<u>45,699</u>

# EXUS SOFTWARE LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 16. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2017 €	2016 €
Accelerated capital allowances	72,365	45,699
Tax losses carried forward	(77,777)	-
	<u>(5,412)</u>	<u>45,699</u>

### 17. Share capital

	2017 €	2016 €
<b>Authorised, allotted, called up and fully paid</b>		
53,178 (2016 - 53,178) A Shares shares of €1.20294 each	63,970	63,970
53,391 (2016 - 53,391) B Shares shares of €1.20294 each	64,226	64,226
	<u>128,196</u>	<u>128,196</u>

### 18. Comparative information

The prior year figures have been restated to reclassify €811,205, previously included within administrative expenses, as cost of sales. This includes wages and salaries of €284,060, social security costs of €51,528 together with consultancy fees and other associated costs of €457,617 which directly relate to the revenue generated.

The directors consider this more accurately reflects the nature of the underlying transactions. This has not changed the operating profit, profit before or after taxation or net assets in the comparative period.

### 19. 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 €806 (2016 - €nil). There were no accrued or prepaid contributions at the reporting date (2016 - €nil).

## EXUS SOFTWARE LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 20. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 €	2016 €
Not later than 1 year	61,272	-
Between 1 and 2 years	35,742	-
	<u>97,014</u>	<u>-</u>

## EXUS SOFTWARE LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 21. 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 (2016 - 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 €127,982 (2016 - €113,762) paid to Georgios Konstantinidis in his capacity as director of Exus Software Limited and €118,841 (2016 - €99,930) 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.

Piraeus Bank S.A. is considered to be a related party of the company as it owns 49.9% of the issued share capital. The total amount due from Piraeus Bank S.A. in respect trading activities at 31 December 2017 was €nil (2016 - €37,738). Turnover includes software support fees of €nil (2016 - €752,228).

Exodus S.A. is considered to be a related party of the company as it is an associated company of Piraeus Bank S.A. During the year EFS software of €419,453 (2016 - €nil) was purchased by the company from Exodus S.A. and included within intangible assets. Furthermore, services of £502,466 were purchased by the company from Exodus S.A and are included within other operating expenditure. The total amount due from Exodus S.A. at 31 December 2017 was €9,319 (2016 - €63,762 due to 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 (2016 - €62,000).

Piraeus Bank Romania 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 Piraeus Bank Romania S.A. at 31 December 2017 was €nil (2016 - €960). Turnover includes software support services of €34,315 (2016 - €8,977).

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. The total amount due from Piraeus Bank Beograd A.D. at 31 December 2017 was €20,075 (2016 - €nil). Turnover includes software support services of €20,075 (2016 - €8,069).

Astrobank (formerly Piraeus Bank Cyprus Ltd) 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 Piraeus Bank Cyprus Ltd at 31 December 2017 was €14,472 (2016 - €nil). Turnover includes software support services of €31,472 (2016 - €14,607).

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 2017 was €nil (2016 - €nil). Turnover includes software support services of €14,000 (2016 - €9,282).

Exus Software Hellas is considered to be a related party of the company as it is a wholly owned subsidiary of the company. The total amount due from Exus Software Hellas Single Member Limited Liability Company at 31 December 2017 was €nil (2016 - €65,000) and this is included within trade debtors.

#### 22. 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.