

Registered number: 08930241

# **SALON SOFTWARE SOLUTIONS LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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## **SALON SOFTWARE SOLUTIONS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	Scott Saklad Darrell Boxall Darren Pick
<b>Company secretary</b>	Jemma Belghoul (appointed on 11 August 2021) Cheryl Riggott (resigned on 11 August 2021)
<b>Registered number</b>	08930241
<b>Registered office</b>	Gladstone House Hithercroft Road Wallingford Oxfordshire OX10 9BT

**SALON SOFTWARE SOLUTIONS LIMITED**

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## **SALON SOFTWARE SOLUTIONS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors present their report and the financial statements for the year ended 31 December 2020.

#### **Directors' responsibilities statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activity**

The principal activity of the Company was the provision of software and services.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £281,372 (2019 - £437,053).

Dividends of £170,000 were paid during the period (2019: £290,000). The Directors do not recommend payment of a final dividend.

#### **Directors**

The Directors who served during the year were:

Scott Saklad  
Darrell Boxall  
Darren Pick

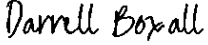
#### **Small companies note**

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

**SALON SOFTWARE SOLUTIONS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

DocuSigned by:  
  
77F1091D541149F

**Darrell Boxall**

Director

Date: 28 September 2021

## SALON SOFTWARE SOLUTIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	2,126,484	2,484,644
Cost of sales		(238,626)	(364,349)
<b>Gross profit</b>		<b>1,887,858</b>	2,120,295
Administrative expenses		(1,669,665)	(1,662,268)
Other operating income		99,385	-
<b>Operating profit</b>	5	<b>317,578</b>	458,027
Interest receivable and similar income		11	-
Interest payable and expenses		(799)	(1,068)
<b>Profit before tax</b>		<b>316,790</b>	456,959
Tax on profit	8	(35,418)	(19,906)
<b>Profit for the financial year</b>		<b>281,372</b>	437,053

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 7 to 24 form part of these financial statements.

**SALON SOFTWARE SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 08930241**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	117,337	160,628
		<u>117,337</u>	<u>160,628</u>
<b>Current assets</b>			
Stocks	11	585	15,414
Debtors: amounts falling due after more than one year	12	(4,786)	(2,393)
Debtors: amounts falling due within one year	12	1,405,195	1,385,189
Cash at bank and in hand	13	18,934	31,674
		<u>1,419,928</u>	<u>1,429,884</u>
Creditors: amounts falling due within one year	14	(674,726)	(773,280)
<b>Net current assets</b>		<u>745,202</u>	656,604
<b>Total assets less current liabilities</b>		<u>862,539</u>	817,232
Creditors: amounts falling due after more than one year	15	(61,190)	(99,611)
		<u>801,349</u>	717,621
Accruals and deferred income		(57,449)	(85,093)
<b>Net assets excluding pension asset</b>		<u>743,900</u>	632,528
<b>Net assets</b>		<u>743,900</u>	632,528
<b>Capital and reserves</b>			
Called up share capital	19	674	674
Profit and loss account	20	743,226	631,854
		<u>743,900</u>	<u>632,528</u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

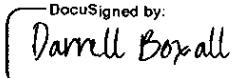
The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

**SALON SOFTWARE SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 08930241**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2021.

DocuSigned by:  
  
77F1091D541149F  
**Darrell Boxall**  
Director

The notes on pages 7 to 24 form part of these financial statements.



**SALON SOFTWARE SOLUTIONS LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	674	631,854	632,528
Profit for the year	-	281,372	281,372
Dividends: Equity capital	-	(170,000)	(170,000)
<b>At 31 December 2020</b>	<b>674</b>	<b>743,226</b>	<b>743,900</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2019	674	484,801	485,475
Profit for the year	-	437,053	437,053
Dividends: Equity capital	-	(290,000)	(290,000)
<b>At 31 December 2019</b>	<b>674</b>	<b>631,854</b>	<b>632,528</b>

The notes on pages 7 to 24 form part of these financial statements.

## **SALON SOFTWARE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **1. General information**

Salon Software Solutions Limited is a limited liability company incorporated in the United Kingdom. Its registered office is Gladstone House, Hithercroft Road, Wallingford, Oxfordshire, OX10 9BT.

#### **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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 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).

The following principal accounting policies have been applied:

##### **2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

##### **2.3 Exemption from preparing consolidated financial statements**

The Company is a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

**SALON SOFTWARE SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****2. Accounting policies (continued)****2.4 Going concern**

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Directors have reviewed the working capital requirements of the Company for a period of at least 12 months from the anticipated date of signing of the financial statements and are satisfied that the Company will be able to meet its liabilities as they fall due.

**2.5 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income, within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**SALON SOFTWARE SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****2. Accounting policies (continued)****2.6 Revenue recognition**

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:

The Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction prices of these contracts for the time value of money.

**Sale of goods**

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**Rendering of services**

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Software licenses are recognised on delivery of the software license. When delivery of goods is delayed at the customers' request, and the customer specifically acknowledges the deferred delivery instructions and the usual payment terms apply, revenue is recognised when the customer takes title of the goods.

Consultancy and training revenues provided on a time and material basis are recognised when the service has been performed. For services performed on a fixed price basis, revenue is recognised proportionately to the percentage of planned costs incurred.

Maintenance renewals are recognised over the period of which the maintenance contract covers.

Where a contract consists of various components that operate independently of each other, the Company recognises revenue for each component as if it were one individual contract.

## SALON SOFTWARE SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

## 2. Accounting policies (continued)

### 2.7 Leases

#### The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the Company's incremental borrowing rate. A single discount rate has been applied by the Group to portfolios of leases with similar characteristics. The weighted-average rate applied is approximately 2%.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Statement of Financial Position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.14.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

## **SALON SOFTWARE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **2. Accounting policies (continued)**

##### **2.8 Research and development**

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

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

##### **2.9 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

##### **2.10 Finance costs**

Finance costs are charged to profit or loss 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.

##### **2.11 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### **2.12 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 profit or loss 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.

## SALON SOFTWARE SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

## 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 profit or loss 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.

### 2.14 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Long-term leasehold property	- Remaining lease term
Short-term leasehold property	- Remaining lease term
Fixtures and fittings	- 25%
Office equipment	- 25-33.3%

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 profit or loss.

## **SALON SOFTWARE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **2. Accounting policies (continued)**

##### **2.15 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **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.

##### **2.18 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### **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 profit or loss 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.



## SALON SOFTWARE SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.20 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

##### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

##### **Fair value through profit or loss**

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

##### **Impairment of financial assets**

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

##### **Financial liabilities**

##### **Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

##### **At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

## SALON SOFTWARE SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

The preparation of the financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount of values may vary in certain instances from the assumption and estimates made. Changes will be recorded, with corresponding effect in the Statement of Comprehensive Income, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future profit for the purposes of determining whether or not to recognise deferred tax assets depends on many factors, including the Company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes to the measurement of deferred tax assets.

In recognising provisions, the company evaluates the extent to which it is possible that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgements used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

Management estimate that net realisable values of stock, taking into account the most reliable evidence at each reporting date. The future realisation of these inventories may be affected by future technology or other market driven changes that may reduce future selling prices.

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of the receivables and historical experience. See note 14 for the net carrying amount of the receivables.

**SALON SOFTWARE SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****4. Turnover**

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	2,040,004	2,397,906
Rest of Europe	85,467	78,437
Rest of the world	1,012	8,301
	<u>2,126,483</u>	<u>2,484,644</u>

**5. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	43,291	43,432
Exchange differences	(3,695)	2,473
Defined contribution pension cost	30,130	32,910
	<u>30,130</u>	<u>32,910</u>

**6. Employees**

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

	2020 No.	2019 No.
Sales	7	7
Support and development	17	20
Professional services	8	10
General and Administration	1	2
	<u>33</u>	<u>39</u>

**SALON SOFTWARE SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**7. Directors' remuneration**

	<b>2020</b>	2019
	<b>£</b>	£
Directors' emoluments	<b>70,166</b>	107,120
Company contributions to defined contribution pension schemes	<b>3,208</b>	3,403
	<u><b>73,374</b></u>	<u>110,523</u>

During the year retirement benefits were accruing to 1 Director (2019 - 2) in respect of defined contribution pension schemes.

**8. Taxation**

	<b>2020</b>	2019
	<b>£</b>	£
<b>Corporation tax</b>		
Current tax on profits for the year	<b>34,049</b>	58,185
Adjustments in respect of previous periods	<b>(193)</b>	(38,002)
<b>Total current tax</b>	<u><b>33,856</b></u>	<u>20,183</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>2,029</b>	(277)
Changes to tax rates	<b>(467)</b>	-
<b>Taxation on profit on ordinary activities</b>	<u><b>35,418</b></u>	<u>19,906</u>

## SALON SOFTWARE SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 8. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<b>316,790</b>	456,959
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>60,190</b>	86,822
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>91</b>	4,478
Capital allowances for year in excess of depreciation	-	(613)
Adjustments to tax charge in respect of prior periods	<b>(193)</b>	(38,002)
Other timing differences leading to an increase/(decrease) in taxation	-	(2,556)
Adjustment in research and development tax credit leading to an increase in the tax charge	-	(6,846)
Changes in tax rates leading to an increase (decrease) in the tax charge	<b>(467)</b>	-
Short term timing difference leading to an increase (decrease) in the tax charge	-	2,279
Group relief	<b>(24,203)</b>	(25,656)
<b>Total tax charge for the year</b>	<b>35,418</b>	19,906

##### Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2025 the corporation tax rate will increase to 25%. This new law has not yet been substantively enacted at the balance sheet date, so its effects are not included in these financial statements.

#### 9. Dividends

	2020 £	2019 £
Paid during the year	<b>170,000</b>	290,000

## SALON SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 10. Tangible fixed assets

	Long-term leasehold property £	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	185,539	4,305	6,832	120,615	317,291
At 31 December 2020	185,539	4,305	6,832	120,615	317,291
<b>Depreciation</b>					
At 1 January 2020	40,701	4,305	6,832	104,825	156,663
Charge for the year on owned assets	-	-	-	2,590	2,590
Charge for the year on right-of-use assets	40,701	-	-	-	40,701
At 31 December 2020	81,402	4,305	6,832	107,415	199,954
<b>Net book value</b>					
At 31 December 2020	104,137	-	-	13,200	117,337
At 31 December 2019	144,838	-	-	15,790	160,628

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Long leasehold	104,138	144,838
	<u>104,138</u>	<u>144,838</u>

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of Financial Position is as follows:

	2020 £	2019 £
Tangible fixed assets owned	13,200	160,628
Right-of-use tangible fixed assets	104,137	-
	<u>117,337</u>	<u>160,628</u>

**SALON SOFTWARE SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****10. Tangible fixed assets (continued)**

Information about right-of-use assets is summarised below:

**Net book value**

	<b>2020</b> £	2019 £
Property	<b>104,137</b>	-
	<u><b>104,137</b></u>	<u>-</u>

**Depreciation charge for the year ended**

	<b>2020</b> £	2019 £
Property	<b>(40,701)</b>	-
Other tangible fixed assets	-	(40,701)
	<u><b>(40,701)</b></u>	<u>(40,701)</u>

**11. Stocks**

	<b>2020</b> £	2019 £
Finished goods and goods for resale	<b>585</b>	15,414
	<u><b>585</b></u>	<u>15,414</u>

## SALON SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 12. Debtors

	2020 £	2019 £
<b>Due after more than one year</b>		
Prepayments and accrued income	(4,786)	(2,393)
	<u>(4,786)</u>	<u>(2,393)</u>
<b>Due within one year</b>		
Trade debtors	503,902	450,873
Amounts owed by group undertakings	826,284	731,563
Other debtors	51,488	110,418
Prepayments and accrued income	18,697	88,366
Amounts recoverable on long term contracts	2,417	-
Deferred taxation	2,407	3,969
	<u>1,405,195</u>	<u>1,385,189</u>

## 13. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	18,934	31,674
Less: bank overdrafts	(739)	(37,316)
	<u></u>	<u></u>



## SALON SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 £	2019 £
Bank overdrafts	739	37,316
Amounts owed to group undertakings	401,607	335,713
Corporation tax	-	13,334
Other taxation and social security	133,306	133,111
Lease liabilities	40,759	44,585
Other creditors	5,433	9,550
Accruals and deferred income	92,882	199,671
	<b>674,726</b>	<b>773,280</b>

Jonas requires that the Company is party to a central corporate treasury function which allows the group to centrally manage its liquidity and financial risks whilst ensuring capital is deployed globally in the most effective manner. However, this can mean that locally the financial strength of the Company is not necessarily conveyed by the net current asset position when reading these financial statements in isolation. To fully understand the size and strength of the corporate group of which the Company is a part, these financial statements should be read in conjunction with those of Constellation Software Inc.

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

	2020 £	2019 £
Lease liabilities	61,190	99,611
	<b>61,190</b>	<b>99,611</b>

## 16. Deferred taxation

	2020 £	2019 £
At beginning of year	3,969	3,692
Charged to profit or loss	(1,562)	277
<b>At end of year</b>	<b>2,407</b>	<b>3,969</b>

## SALON SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**16. Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	1,992	1,929
Pension surplus	415	-
Other short term differences	-	2,040
	<u>2,407</u>	<u>3,969</u>

**17. Deferred Income****18. Leases****Company as a lessee**

The Company has two leases for the office locations from which it operates. The lease for the head office in Lincoln expires in December 2022 and the lease for the office in Gatwick expires in April 2023. Each lease is reflected in the Statement of Financial Position as a right-of-use asset and a lease liability.

Lease liabilities are due as follows:

	2020 £	2019 £
Not later than one year	40,759	44,585
Between one year and five years	61,190	99,611
	<u>101,949</u>	<u>144,196</u>

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2020 £	2019 £
Interest expense on lease liabilities	<u>799</u>	<u>1,068</u>

**19. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
674 (2019 - 674) Ordinary shares of £1.00 each	<u>674</u>	<u>674</u>

## **SALON SOFTWARE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **20. Reserves**

##### **Profit and loss account**

Includes all current and prior period retained profits and losses.

#### **21. Contingent liabilities**

In the event that bank indebtedness arises in the ultimate parent undertaking, Constellation Software Inc., it is secured by means of an unlimited guarantee and debenture over the assets of the Company and other group undertakings.

#### **22. Pension commitments**

The Company operates a defined contribution 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 £30,130 (2019: £29,507).

#### **23. Related party transactions**

The company is exempt under Paragraph 8(k) of FRS 101 from disclosing related party transactions with entities that are part of the group headed by Constellation Software Inc., where 100% of the voting rights are controlled within the group.

#### **24. Controlling party**

The immediate parent company is Jonas Computing (UK) Limited, a company incorporated in England and Wales. The smallest group in which the results are consolidated is Jonas Computing (UK) Limited, a company incorporated in England and Wales. These financial statements can be obtained from Companies House, Crown Way, Cardiff, 3UZ.

The largest group in which the results are consolidated is that headed by Constellation Software Inc. Constellation Software Inc. is also the ultimate controlling party of the Company. The consolidated accounts of Constellation Software Inc. are available to the public and may be obtained from Gary Jonas Computing Ltd, 8133 Warden Ave, Suite 400, Markham, Ontario, Canada, L6G 1B3.