

PROFILE SOFTWARE (UK) LTD

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

PROFILE SOFTWARE (UK) LTD

COMPANY INFORMATION

Directors	A Iliopoulos K Orfanidis C Stasinopoulos
Registered number	09931929
Registered office	21/22 Great Castle Street London W1G 0HZ
Accountants	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

PROFILE SOFTWARE (UK) LTD

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PROFILE SOFTWARE (UK) LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Directors

The directors who served during the year were:

A Iliopoulos
K Orfanidis
C Stasinopoulos

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.

This report was approved by the board on 26 March 2020 and signed on its behalf.

K Orfanidis
Director

PROFILE SOFTWARE (UK) LTD

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF PROFILE SOFTWARE (UK) LTD FOR THE YEAR ENDED 31 DECEMBER 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Profile Software (UK) Ltd for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Profile Software (UK) Ltd, as a body, in accordance with the terms of our engagement letter dated 9 September 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Profile Software (UK) Ltd and state those matters that we have agreed to state to the Board of Directors of Profile Software (UK) Ltd, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Profile Software (UK) Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Profile Software (UK) Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Profile Software (UK) Ltd. You consider that Profile Software (UK) Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Profile Software (UK) Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Haysmacintyre LLP

10 Queen Street Place
London
EC4R 1AG
26 March 2020

PROFILE SOFTWARE (UK) LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	1,601,589	1,384,541
Cost of sales		(752,248)	(743,961)
Gross profit		<u>849,341</u>	<u>640,580</u>
Administrative expenses		(660,353)	(335,413)
Other operating income		21,179	(2,265)
Other operating charges		(2,213)	(1,067)
Operating profit	5	<u>207,954</u>	<u>301,835</u>
Interest receivable and similar income		8,673	1,131
Profit before tax		<u>216,627</u>	<u>302,966</u>
Tax on profit	8	(41,742)	(58,109)
Profit for the financial year		<u><u>174,885</u></u>	<u><u>244,857</u></u>

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 6 to 15 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	4,532	-
Investments	10	619	619
		<u>5,151</u>	<u>619</u>
Current assets			
Debtors: amounts falling due within one year	11	267,406	336,525
Cash at bank and in hand	12	884,329	1,208,721
		<u>1,151,735</u>	<u>1,545,246</u>
Creditors: amounts falling due within one year	13	(394,236)	(958,284)
		<u>757,499</u>	<u>586,962</u>
Net current assets			
Provisions for liabilities			
Deferred tax	14	(183)	-
		<u>762,467</u>	<u>587,581</u>
Net assets			
Capital and reserves			
Called up share capital	15	300,000	300,000
Profit and loss account	16	462,467	287,581
		<u>762,467</u>	<u>587,581</u>

PROFILE SOFTWARE (UK) LTD
REGISTERED NUMBER: 09931929

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

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 March 2020.

K Orfanidis
Director

The notes on pages 6 to 15 form part of these financial statements.

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

1. General information

Profile Software (UK) Ltd is a private limited company registered in England and Wales. The principal activity is the provision of integrated business software.

Its registered office and principal place of business is 21/22 Great Castle Street, London, W1G 0HZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Profile Systems & Software SA as at 31 December 2018 and these financial statements may be obtained from Companies House.

2.3 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:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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

2. Accounting policies (continued)

2.4 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.5 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.

2.6 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.

2.7 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.

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

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

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:

Fixtures and fittings	- 4 year straight-line
Computer equipment	- 4 year straight-line

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

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

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 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.

2.11 Creditors

Short term creditors are measured at the transaction price.

2.12 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.

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

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

In the process of applying its accounting policies, the Company is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the company evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

Revenue recognition

The company recognises revenue generally at the time of delivery and when collection of the resulting receivable is reasonably assured. Payments received in advance of revenue recognition are recorded as deferred income.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Software licenses	137,578	334,554
Software maintenance	222,477	104,416
Implementation services	1,187,615	920,708
R&D services	53,919	24,864
	<u>1,601,589</u>	<u>1,384,542</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	1,046	-
Defined contribution pension cost	4,821	1,816
	<u>4,821</u>	<u>1,816</u>

PROFILE SOFTWARE (UK) LTD

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

6. **Employees**

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

	2019 No.	2018 No.
Directors	3	3
Staff	4	3
	<u>7</u>	<u>6</u>

7. **Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	<u>7,583</u>	<u>7,000</u>

8. **Taxation**

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	33,302	32,487
Foreign tax		
Foreign tax on income for the year	<u>8,257</u>	<u>25,622</u>
Total current tax	<u>41,559</u>	<u>58,109</u>
Deferred tax		
Origination and reversal of timing differences	183	-
Taxation on profit on ordinary activities	<u>41,742</u>	<u>58,109</u>

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

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit before tax	216,627	302,966
Profit multiplied by standard rate of corporation tax in the UK of 19%	41,159	57,564
Effects of:		
Expenses not deductible for tax purposes	1,261	545
Capital allowances for year in excess of depreciation	(861)	-
Other timing differences leading to an increase (decrease) in taxation	183	-
Total tax charge for the year	41,742	58,109

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

PROFILE SOFTWARE (UK) LTD

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

9. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
Additions	5,163	415	5,578
At 31 December 2019	<u>5,163</u>	<u>415</u>	<u>5,578</u>
Depreciation			
Charge for the year on owned assets	968	78	1,046
At 31 December 2019	<u>968</u>	<u>78</u>	<u>1,046</u>
Net book value			
At 31 December 2019	<u>4,195</u>	<u>337</u>	<u>4,532</u>
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	619
At 31 December 2019	<u>619</u>

11. Debtors

	2019 £	2018 £
Trade debtors	213,263	297,015
Other debtors	12,001	5,324
Prepayments and accrued income	42,142	34,186
	<u>267,406</u>	<u>336,525</u>

PROFILE SOFTWARE (UK) LTD

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

12. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	884,329	1,208,721

13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	55,493	469,617
Amounts owed to group undertakings	1,546	1,366
Corporation tax	33,302	32,487
Other taxation and social security	72,875	78,712
Other creditors	14,753	14,257
Accruals and deferred income	216,267	361,845
	<u>394,236</u>	<u>958,284</u>

14. Deferred taxation

	2019 £
Charged to profit or loss	(183)
At end of year	<u>(183)</u>

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(770)	-
Short term differences	587	-
	<u>(183)</u>	<u>-</u>

PROFILE SOFTWARE (UK) LTD

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

15. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
300,000 (2018 - 300,000) Ordinary shares of £1.00 each	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

16. Reserves**Profit and loss account**

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

17. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £4,821 (2018 - £1,816). Contributions totalling £3,458 (2018 - £444) were payable to the fund at the reporting date and are included in creditors.

18. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	40,000	-
Later than 1 year and not later than 5 years	166,667	-
	<u>206,667</u>	<u>-</u>

19. Related party transactions

As permitted by FRS102 paragraphs 1.12e and 33.1a, the company has taken advantage of the exemption from disclosing the transactions between two or more members of a group as all subsidiary undertakings are wholly-owned by a member of that group.

PROFILE SOFTWARE (UK) LTD

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

20. Controlling party

The immediate parent undertaking is Profile Systems and Software (Cyprus) Limited, a company incorporated in Cyprus. The ultimate parent undertaking is Profile Systems & Software SA, a company incorporated in Greece.

Profile Systems & Software SA is the only company to prepare consolidated financial statements into which this company's results are consolidated.

PROFILE SOFTWARE (UK) LTD

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Turnover	1,601,590	1,384,541
Cost Of Sales	(752,248)	(743,961)
Gross profit	849,342	640,580
Other operating income	21,179	(2,265)
Less: overheads		
Administration expenses	(660,354)	(335,413)
Other operating charges	(2,213)	(1,067)
Operating profit	207,954	301,835
Interest receivable	8,673	1,131
Profit for the year	216,627	302,966

PROFILE SOFTWARE (UK) LTD

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Turnover		
Software licenses	40,901	250,822
Software maintenance	222,477	104,416
Implementation services	1,187,615	920,708
R&D services	53,919	24,864
Travel expenses reimbursed	96,678	83,731
	<u>1,601,590</u>	<u>1,384,541</u>
	2019 £	2018 £
Other operating income		
Difference on foreign exchange	<u>21,179</u>	<u>(2,265)</u>
	2019 £	2018 £
Administration expenses		
Directors salaries	7,583	7,000
Staff salaries	396,985	215,771
Staff national insurance	46,828	23,885
Staff pension costs	4,821	1,816
Staff training	30,080	9,613
Entertainment	2,104	2,904
Telephone and fax	6,521	2,365
Computer costs	13,154	9,157
Advertising and promotion	65,520	3,000
Legal and professional	1,745	16,600
Accountancy fees	10,213	4,400
Sundry expenses	7,117	1,621
Rent	42,524	35,534
Rates	20,042	-
Water	309	-
Light and heat	568	-
Insurances	2,226	-
Repairs and maintenance	510	-
Depreciation	1,046	-
Room hire	458	1,747
	<u>660,354</u>	<u>335,413</u>

PROFILE SOFTWARE (UK) LTD

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Operating charges		
Bank charges	2,213	1,067
	<u>2,213</u>	<u>1,067</u>
	2019 £	2018 £
Interest receivable		
Bank interest receivable	8,673	1,131
	<u>8,673</u>	<u>1,131</u>