

REGISTERED NUMBER: 02683152 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
SOFTLINK EUROPE LIMITED**



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FOR THE YEAR ENDED 31 DECEMBER 2018**

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SOFTLINK EUROPE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS:

Mr R Bacchus
Mr B Beattie
Mr N J Godfrey
Mr M R Miller

REGISTERED OFFICE:

Unit 9 Bankside
Hanborough Business Park
Lodge Road
Long Hanborough
Oxfordshire
OX29 8LJ

REGISTERED NUMBER:

02683152 (England and Wales)

SENIOR STATUTORY AUDITOR: Philip Burton BSc FCA

AUDITORS:

Bronsens
Chartered Certified Accountants
Statutory Auditors
6 Langdale Court
Witney
Oxfordshire
OX28 6FG

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 January 2018 to the date of this report.

The directors shown below were in office at 31 December 2018 but did not hold any interest in the Ordinary shares of £1 each at 1 January 2018 or 31 December 2018.

Mr R Bacchus
Mr B Beattie
Mr N J Godfrey
Mr M R Miller

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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.

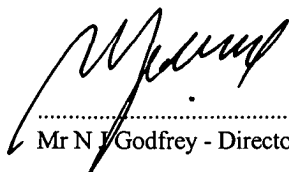
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
Mr N J Godfrey - Director

Date: 20.3.2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOFTLINK EUROPE LIMITED

Opinion

We have audited the financial statements of Softlink Europe Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the 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, 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOFTLINK EUROPE LIMITED**

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Duty of Care to Third Parties

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditor's and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Philip Burton BSc FCA (Senior Statutory Auditor)
for and on behalf of Bronsens
Chartered Certified Accountants
Statutory Auditors
6 Langdale Court
Witney
Oxfordshire
OX28 6FG

Date: 20/03/19

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

		31.12.18		31.12.17 as restated	
	Notes	£	£	£	£
TURNOVER	3		2,059,876		1,848,983
Cost of sales			657,182		600,911
GROSS PROFIT			1,402,694		1,248,072
Administrative expenses			694,394		642,629
OPERATING PROFIT	5		708,300		605,443
Interest receivable and similar income			13		-
PROFIT BEFORE TAXATION			708,313		605,443
Tax on profit	6		136,061		116,974
PROFIT FOR THE FINANCIAL YEAR			572,252		488,469
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR					488,469
Prior year adjustment	7		9,174		
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT			581,426		

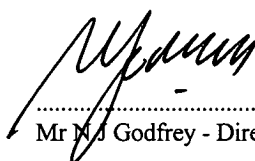
The notes form part of these financial statements

SOFTLINK EUROPE LIMITED (REGISTERED NUMBER: 02683152)

**BALANCE SHEET
31 DECEMBER 2018**

		31.12.18		31.12.17 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		18,843		11,326
Tangible assets	9		2,666		4,885
			<u>21,509</u>		<u>16,211</u>
CURRENT ASSETS					
Debtors	10	2,984,409		2,071,439	
Cash at bank and in hand		95,472		149,650	
		<u>3,079,881</u>		<u>2,221,089</u>	
CREDITORS					
Amounts falling due within one year	11	1,355,284		1,063,946	
NET CURRENT ASSETS			<u>1,724,597</u>		<u>1,157,143</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,746,106		1,173,354
PROVISIONS FOR LIABILITIES	13		2,652		2,152
NET ASSETS			<u>1,743,454</u>		<u>1,171,202</u>
CAPITAL AND RESERVES					
Called up share capital	14		80		80
Share premium			100,514		100,514
Capital redemption reserve			40		40
Retained earnings			1,642,820		1,070,568
SHAREHOLDERS' FUNDS			<u>1,743,454</u>		<u>1,171,202</u>

The financial statements were approved by the Board of Directors on 20.3.2019 and were signed on its behalf by:


.....
Mr M J Godfrey - Director

The notes form part of these financial statements

SOFTLINK EUROPE LIMITED (REGISTERED NUMBER: 02683152)

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

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2017	80	582,099	100,514	40	682,733
Changes in equity					
Total comprehensive income	-	479,295	-	-	479,295
Balance at 31 December 2017	80	1,061,394	100,514	40	1,162,028
Prior year adjustment	-	9,174	-	-	9,174
As restated	80	1,070,568	100,514	40	1,171,202
Changes in equity					
Total comprehensive income	-	572,252	-	-	572,252
Balance at 31 December 2018	80	1,642,820	100,514	40	1,743,454

The notes form part of these financial statements

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

1. STATUTORY INFORMATION

Softlink Europe Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company's principal activity is that of information technology service providers. The financial statements are presented in pound sterling (£), which is the functional currency of the company and rounded to the nearest £.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from customer support and maintenance is recognised on a straight line basis over the period of the customer support and maintenance agreement.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Capitalised Commissions Optional Maintenance are being amortised evenly over their estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment	- 25% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES - continued**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

3. TURNOVER

In the year to 31 December 2018 19% (2017 - 23%) of the company's turnover was to markets outside the United Kingdom.

4. EMPLOYEES AND DIRECTORS

	31.12.18	31.12.17 as restated
	£	£
Wages and salaries	416,192	432,221
Social security costs	43,969	45,054
Other pension costs	7,302	4,417
	<u>467,463</u>	<u>481,692</u>

The average number of employees during the year was as follows:

	31.12.18	31.12.17 as restated
Employees	<u>12</u>	<u>13</u>

	31.12.18	31.12.17 as restated
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

5. OPERATING PROFIT

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

	31.12.18	31.12.17 as restated
	£	£
Other operating leases	41,250	28,417
Depreciation - owned assets	2,219	4,489
Capitalised Commissions Optional Maintenance amorti	4,607	-
Auditors' remuneration	2,500	2,000
Foreign exchange differences	1,330	(262)
Other operating leases	41,250	28,417
Auditors' remuneration - non audit work	4,385	3,325
	<u>41,250</u>	<u>28,417</u>

6. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.12.18	31.12.17 as restated
	£	£
Current tax:		
UK corporation tax	135,561	114,822
Deferred tax	500	2,152
Tax on profit	<u>136,061</u>	<u>116,974</u>

UK corporation tax has been charged at 19% (2017 - 19.25%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.18	31.12.17 as restated
	£	£
Profit before tax	<u>708,313</u>	<u>605,443</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	134,579	116,548
Effects of:		
Expenses not deductible for tax purposes	-	(21)
Depreciation in excess of capital allowances	982	475
Adjustments to tax charge in respect of previous periods	-	(2,180)
Deferred tax	500	2,152
Total tax charge	<u>136,061</u>	<u>116,974</u>

7. PRIOR YEAR ADJUSTMENT

As a result of the introduction of FRS115 commission payments earned from the sale of maintenance contracts have been capitalised and are being amortised over the period of the contract. This amounted to a charge for the year of £9,174. This has been disclosed as a prior year adjustment.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

8. INTANGIBLE FIXED ASSETS

	Capitalised Commissions Optional Maintenance £
COST	
At 1 January 2018	11,326
Additions	12,124
	<u>23,450</u>
At 31 December 2018	
AMORTISATION	
Amortisation for year	4,607
	<u>4,607</u>
At 31 December 2018	
NET BOOK VALUE	
At 31 December 2018	<u>18,843</u>
At 31 December 2017	<u>11,326</u>

9. TANGIBLE FIXED ASSETS

	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2018 and 31 December 2018	<u>23,076</u>	<u>7,751</u>	<u>37,921</u>	<u>68,748</u>
DEPRECIATION				
At 1 January 2018	23,076	3,982	36,805	63,863
Charge for year	-	1,103	1,116	2,219
	<u>23,076</u>	<u>5,085</u>	<u>37,921</u>	<u>66,082</u>
At 31 December 2018				
NET BOOK VALUE				
At 31 December 2018	<u>-</u>	<u>2,666</u>	<u>-</u>	<u>2,666</u>
At 31 December 2017	<u>-</u>	<u>3,769</u>	<u>1,116</u>	<u>4,885</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17 as restated
	£	£
Trade debtors	250,038	251,482
Other debtors	152	-
Softlink International Pty Ltd	2,717,524	1,801,694
Prepayments	16,695	18,263
	<u>2,984,409</u>	<u>2,071,439</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17 as restated
	£	£
Trade creditors	16,179	6,952
Amounts owed to group undertakings	224,432	26,679
Tax	67,561	114,822
Social security and other taxes	13,702	10,880
VAT	32,600	24,593
Other creditors	1,445	813
Accruals and deferred income	999,365	879,207
	<u>1,355,284</u>	<u>1,063,946</u>

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.18	31.12.17 as restated
	£	£
Within one year	44,333	41,250
Between one and five years	102,000	146,333
	<u>146,333</u>	<u>187,583</u>

13. PROVISIONS FOR LIABILITIES

	31.12.18	31.12.17 as restated
	£	£
Deferred tax		
Accelerated capital allowances	(928)	-
Other timing differences	3,580	2,152
	<u>2,652</u>	<u>2,152</u>
		Deferred tax
		£
Balance at 1 January 2018		2,152
Charge to Statement of Comprehensive Income during year		500
		<u>2,652</u>
Balance at 31 December 2018		<u>2,652</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.12.18	31.12.17 as restated
Number:	Class:	Nominal value:		
			£	£
80	Ordinary	£1	80	80
			<u>80</u>	<u>80</u>

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

15. 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 charge represents contributions made by the company to the fund.

	2018	2017
	£	£
Contributions payable by the company for the year	<u>7,302</u>	<u>4,417</u>

At the 31 December 2018 £1,445 (2017 - £813) was outstanding and is included in other creditors.

16. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is Softlink International Pty Limited, a company registered in Australia.

Constellation Software Inc. (incorporated in Canada) is regarded by the directors as being the company's ultimate parent company.

Consolidated accounts are available from Constellation Software Inc. 1200-20 Adelaide Street East, Toronto, ON M5C 2T6, Canada.