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**Exact Software (UK) Limited**

Report and Unaudited Financial Statements

Year Ended

31 December 2019

Company Number 02752425

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## Exact Software (UK) Limited

### Company Information

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**Directors** Exact Management B.V.  
PD Robinson

**Registered number** 02752425

**Registered office** 1 Bartholomew Lane  
London  
England  
EC2N 2AX

# **Exact Software (UK) Limited**

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# Exact Software (UK) Limited

## Directors' Report For the Year Ended 31 December 2019

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The directors present their report and the unaudited financial statements of Exact Software (UK) Limited (the "Company") for the year ended 31 December 2019.

### Principal activity

The principal activity of the Company is the retail of Business Solution software. The core product lines Exact Globe, Exact Synergy, and Exact Financials help mid-sized local and international companies to create greater value from their business processes. In addition to offering integrated financial, CRM and HRM functionalities our solutions provide a broad portfolio of industry-specific functionalities for our key vertical markets and support multi-site cross-border operations within one IT system. The product lines offer a good fit for a wide range of companies with between 50 and 500 employees.

### Directors

The directors who served during the year and to the date of signing this report are as follows:

Exact Management B.V.  
PD Robinson

### 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 United Kingdom Generally Accepted Accounting Practice (*United Kingdom Accounting Standards and applicable law*). Under company law the directors must not approve the financial statements of the Company 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; 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 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.

### Post balance sheet events

COVID-19, a new strain of Coronavirus, has spread from China to other countries, including UK, where it began to spread in early March 2020. This event significantly affects economic activity worldwide and, as a result, to a certain extent, the operations and financial results of the Company. The extent to which the Coronavirus will impact our results will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economies of the affected countries. At this stage we see limited impact on our revenues as these are safeguarded by a significant recurring revenue base.

## **Exact Software (UK) Limited**

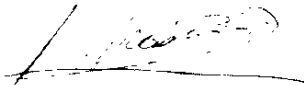
**Directors' Report (continued)**  
**For the Year Ended 31 December 2019**

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In preparing this report, the directors have taken advantage of the small companies exemptions.

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

**PD Robinson**  
Director

A handwritten signature in black ink, appearing to read 'PD Robinson', is written over a horizontal line.

Date: 9 Dec 2020

## Exact Software (UK) Limited

### Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	2,259,874	2,292,749
Administrative expenses		(736,953)	(938,291)
Other operating expense	5	(1,484,324)	(1,263,699)
<b>Operating profit</b>	6	<b>38,597</b>	<b>90,759</b>
Interest receivable and similar income	8	8,847	5,960
Interest payable and similar charges			(2,424)
<b>Profit on ordinary activities before taxation</b>		<b>47,444</b>	<b>94,295</b>
Taxation on profit	9	13,452	(73,196)
<b>Profit on ordinary activities for the financial year</b>		<b>60,896</b>	<b>21,099</b>
<b>Total comprehensive income for the year</b>		<b>60,896</b>	<b>21,099</b>

All amounts relate to continuing activities.

The notes on pages 7 to 17 form part of these financial statements.

# Exact Software (UK) Limited

## Balance Sheet As at 31 December 2019

Registered Number: 02752425

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed assets	10	1,488	3,704
Deferred tax assets	13	3,175	-
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	2,397,877	1,894,366
Cash at bank and in hand		416,955	707,278
		<u>2,814,832</u>	<u>2,601,644</u>
Creditors: amounts falling due within one year	12	(1,557,852)	(1,346,425)
<b>Net current assets</b>		<u>1,256,980</u>	<u>1,255,219</u>
<b>Total assets less current liabilities</b>		<u>1,261,643</u>	<u>1,258,923</u>
<b>Provisions for liabilities</b>			
Other provisions		-	(58,177)
<b>Net assets</b>		<u>1,261,643</u>	<u>1,200,746</u>
<b>Capital and reserves</b>			
Called up share capital	14	1,050,000	1,050,000
Profit and loss account	15	211,643	150,746
<b>Shareholder's funds</b>		<u>1,261,643</u>	<u>1,200,746</u>

## **Exact Software (UK) Limited**

**Registered number: 02752425**

### **Balance Sheet (continued)**

**As at 31 December 2019**

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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 Companies Act 2006.

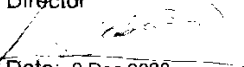
*The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.*

The 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:

**PD Robinson**

Director



Date: 9 Dec 2020

The notes on pages 7 to 17 form part of these financial statements.



## Exact Software (UK) Limited

### Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital	Profit and loss account	Shareholder's funds
	£	£	£
<b>At 1 January 2018</b>	<b>1,050,000</b>	<b>129,647</b>	<b>1,179,647</b>
<b>Total comprehensive income for the year</b>			
Profit for the financial year	-	21,099	21,099
<b>At 1 January 2019</b>	<b>1,050,000</b>	<b>150,746</b>	<b>1,200,746</b>
<b>Total comprehensive income for the year</b>			
Profit for the financial year	-	60,896	60,896
<b>At 31 December 2019</b>	<b>1,050,000</b>	<b>211,642</b>	<b>1,261,642</b>

The notes on pages 7 to 17 form part of these financial statements.

# Exact Software (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 1. General information

Exact Software (UK) Limited (the "Company") is a private company limited by shares, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of the registered office can be found on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors' Report on page 1.

### 2. Accounting policies

#### Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102"), 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).

#### Financial Reporting Standard 102 - reduced disclosure exemptions

The holding Company who included the Company in its consolidated financial statements as at 31 December 2019 was Precise Midco BV. The consolidated financial statements of Precise Midco BV are prepared in accordance with International Financial Reporting Standards as adopted by the EU, are available to the public and may be obtained from Overschiestraat 61 F, PO Box 1062 XD Amsterdam, The Netherlands. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year; and
- Cash Flow Statement and related notes.

As the consolidated financial statements of Precise Midco BV, include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within fair value accounting rules of Paragraph 36 (4) of Schedule 1.

# **Exact Software (UK) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2019**

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

The following principal accounting policies have been applied consistently throughout the current and prior year:

#### **Turnover**

Licence fees are recognised when the delivery of the software has occurred, the fees are fixed or determinable and collectability of the fees is reasonably assured.

Turnover from consulting services is recognised as the services are performed.

Turnover from support and software maintenance agreements is recognised on a straight-line basis over the term of the agreement. The related expenses are expensed as incurred.

For multiple element arrangements turnover is allocated to each element based on fair value regardless of any separate prices stated within the contract. The portion of the turnover allocated to an element is recognised when the turnover recognition criteria for that element have been met.

#### **Pensions**

The Company operates a defined contribution scheme. The amount charged to profit or loss in respect of pension costs is the contributions payable in the year.

#### **Foreign currencies**

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

#### **Leasing commitments**

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

#### **Termination benefits**

Termination benefits are payable when employment is terminated by the Company before the normal retirement date. The Company recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

#### **Interest receivable**

Interest receivable is accounted for on an accruals basis.

# Exact Software (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 2. Accounting policies (continued)

#### 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 or 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 taxable income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events have occurred at that date that will result in an obligation to pay more or right to pay less or to receive more tax, with the following exceptions:

- 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 is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting date.

#### Tangible fixed assets

Tangible fixed assets are stated at historic cost less accumulated depreciation and any accumulated impairment losses.

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

Leasehold improvements - 10% straight line  
Fixtures and fittings - 20% straight line  
Computer equipment - 33% straight line

#### 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 Balance Sheet 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 Balance Sheet.

# Exact Software (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 2. Accounting policies(continued)

#### **Financial instruments**

##### *Financial assets*

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

##### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### **Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date

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

In preparing these financial statements, the directors have made the following judgements:

- Determination of whether leases entered into by the Company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty are as follows:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Trade debtors are reviewed for impairment loss on an ongoing basis and provision made for any balances where there is uncertainty against the recoverability of the balance. This methodology is applied on a customer by customer basis.

The Company's directors are of the opinion that there are no other estimates and assumptions that have a significant risk of casting material adjustments to the carrying value of assets and liabilities for the Company within the next financial year.

## Exact Software (UK) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

#### 4. Turnover

Turnover has arisen in line with the Company's principal activity.

All turnover arose within the United Kingdom.

#### 5. Other operating expense

	2019	2018
	£	£
Other operating expense	<b>1,484,324</b>	1,263,699

Other operating charges represent charges from an Exact affiliate company designed to remunerate the Company in accordance with the Exact group's transfer pricing policies.

#### 6. Operating profit

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

	2019	2018
	£	£
Depreciation of tangible fixed assets	<b>2,216</b>	10,829
Foreign exchange differences	<b>15,897</b>	(11,314)
Payments made under operating leases	<b>15,479</b>	15,479
Defined contribution pension cost	<b>14,316</b>	11,906
Trade debtor impairments	<b>61,992</b>	(33,174)

Trade debtor impairments are included in administrative expenses in the Statement of Comprehensive Income and have been recognised on the expected irrecoverability of specific trade debtor balances due.

At 31 December 2019 there were no outstanding pension contributions (2018: £nil).

#### 7. Employees

The average monthly number of employees during the year was 8 (2018: 11).

##### *Directors' remuneration*

The directors are also directors of other group companies. The directors' services to the Company do not occupy a significant amount of their time specific to Exact Software (UK) Limited. As such the directors do not consider that they received any remuneration for their services to the Company for the year ended 31 December 2019 (2018: £nil).

## Exact Software (UK) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

#### 8. Interest receivable and similar income

	2019 £	2018 £
Interest receivable from group companies	8,847	5,960
Other interest receivable		
	<u>8,847</u>	<u>5,960</u>

#### 9. Taxation on profit

	2019 £	2018 £
<b>Current tax</b>		
Current taxation on profits for the year	9,153	27,136
Adjustments in respect of previous periods	(22,573)	47,084
<b>Total current tax</b>	<u>(13,420)</u>	<u>74,220</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(32)	(1,024)
<b>Total deferred tax</b>	<u>(32)</u>	<u>(1,024)</u>
<b>Taxation on profit on ordinary activities</b>	<u>(13,452)</u>	<u>73,196</u>

## Exact Software (UK) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

#### 9. Taxation on profit (continued)

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

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

	2019 £	2018 £
Profit on ordinary activities before tax	<b>47,443</b>	94,295
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	<b>9,014</b>	17,916
<b>Effects of:</b>		
Non-deductible expenses	<b>(2,960)</b>	8,076
Adjustments to tax charge in respect of prior periods	<b>(22,943)</b>	48,376
Other differences	<b>3,437</b>	(1,172)
<b>Total tax charge for the year</b>	<b>(13,452)</b>	73,196

##### Factors that may affect future tax charge:

The effects of changes to the corporation tax rates, substantively enacted as part of the Finance Act 2016 on 15 September 2016, made a reduction of UK corporation tax to 17% effective 1 April 2020. Subsequent to the reporting date, on 11 March 2020, it was announced that this change was to be reversed and the rate remains at 19% from 1 April 2020. This change was substantively enacted on 17 March 2020. Deferred taxes at the reporting date have been measured and reflected in these financial statements using the substantively enacted tax rate at the year end of 19%.

There were no other factors that may affect future tax charges.



# Exact Software (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 10. Tangible fixed assets

	Lease-hold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2019	194,548	5,046	101,791	301,385
Disposals	(194,548)	-	-	-
At 31 December 2019	-	5,046	101,791	301,385
<b>Depreciation</b>				
At 1 January 2019	194,548	3,432	99,701	297,681
Charge for the year		874	1,342	2,216
Disposals	(194,548)	-	-	-
At 31 December 2019	-	4,306	101,043	299,897
<b>Net book value</b>				
At 31 December 2019	-	740	748	1,488
At 31 December 2018	-	1,614	2,090	3,704

There were no proceeds in respect of these disposals as the office was vacated

### 11. Debtors: amounts falling due within one year

	2019 £	2018 £
Trade debtors	477,880	606,610
Amounts owed by group undertakings	1,914,349	1,284,613
Prepayments and accrued income	5,648	-
Tax recoverable	-	-
Deferred taxation (see note 14)	-	3,143
	<b>2,397,877</b>	<b>1,894,366</b>

Amounts owed by group undertakings are unsecured, repayable on demand and carry an interest in accordance with the Exact group's intercompany Finance Agreement.

## Exact Software (UK) Limited

### Notes to the Financial Statements For the Year Ended 31 December 2019

#### 12. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank overdrafts	4,333	678
Trade creditors	117	24,257
Amounts owed to group undertakings	443,635	189,936
Corporation tax	2,933	5,806
Other taxation and social security	151,257	148,100
Accruals and deferred income	955,577	977,648
	1,557,852	1,346,425

Amounts owed by group undertakings are unsecured, repayable on demand and carry an interest in accordance with the Exact group's Intercompany Finance Agreement.

There are no amounts included under creditors in respect of which any security has been given by the Company.

#### 13. Deferred taxation

	2019	2018
	£	£
At beginning of year	3,143	2,119
Credited to profit or loss (see note 12)	32	1,024
<b>At end of year</b>	<b>3,175</b>	<b>3,143</b>

The deferred taxation balance is made up as follows:

	2019	2018
	£	£
Origination and reversal of timing differences	3,175	3,143

# Exact Software (UK) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 14. Called up share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
1,050,000 (2018: 1,050,000) Ordinary shares of £1.00 each	<u>1,050,000</u>	<u>1,050,000</u>

The company had one class of shares which carry no right to fixed income.

### 15. Reserves

The Company's reserves are made up as follows:

#### Called up share capital

Called up share capital represents the nominal value of shares that have been issued.

#### Profit and loss account

The profit and loss account represents cumulative profits, losses and total other recognised gains or losses made by the Company, including distributions to, and contributions from, the parent company.

### 16. Commitments under operating leases

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

	2019 £	2018 £
Not later than 1 year	<u>-</u>	<u>18,360</u>

### 17. Post balance sheet events

COVID-19, a new strain of Coronavirus, has spread from China to other countries, including UK, where it began to spread in early March 2020. This event significantly affects economic activity worldwide and, as a result, to a certain extent, the operations and financial results of the Company. The extent to which the Coronavirus will impact our results will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economies of the affected countries. At this stage we see limited impact on our revenues as these are safeguarded by a significant recurring revenue base.

### 18. Ultimate parent company and controlling party

The company is a wholly owned subsidiary of Exact International Development B.V., a company incorporated in the Netherlands. The smallest holding Company who included the Company in its consolidated financial statements as at December 31, 2019 was Precise Midco BV.

On 14 May 2019 the shares of Eiger Midco B.V. (an intermediate holding company that indirectly held the share of Exact Software UK Limited) were sold to Precise Bidco B.V., who are a part of the KKR & Co Inc ("KKR") group. KKR are a leading international private equity firm, who now hold a controlling interest in Exact Software (UK) Limited. Precise Midco BV is the immediate parent of Precise Bidco BV.