

# **CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.**

**Directors:**

J. Slavitt  
B. Darmon  
E. Hershkovitz

**Registered Office:**

37 Broadhurst Gardens  
London  
NW6 3QT

**Registered No:**

3201839 (England & Wales)

**Auditors:**

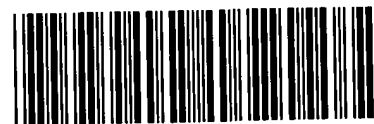
Levy Cohen & Co.  
Registered Auditors  
37 Broadhurst Gardens  
London NW6 3QT

## **Financial Statements** **For The Year Ended 31 December 2020**

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## **CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.**

### **Strategic Report**

#### **Business Model:**

Check Point Software Technologies (UK) Ltd. is part of the international Check Point Software Technologies Group, a technology group specializing in the development and distribution of IT security products.

#### **Key activities**

The company's business activities include pre-sales and marketing support services for the distribution of hardware and software products of the Check Point Software Technologies Group and related services. The company acts as a service provider for the Ultimate parent company. Revenues are realized exclusively with this company based on a service agreement.

#### **Principle Risks and Uncertainties:**

The principle risks and uncertainties can be categorised as follows:

Reliance on Service agreement

#### **Reliance on Service agreement**

The future development of the company as a service provider is dependent on the continued existence and conditions of the existing service agreement with the Ultimate parent company.

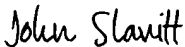
#### **Subsequent event**

No major post balance sheet events have occurred to date.

#### **Future developments**

No substantial changes in the field of capital expenditures, financing, staffing are foreseen.

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**J. Slavitt**

Director

Approved by the Board  
20 December 2021

**CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.**  
**Directors' Report**

The Directors present the financial statements of the company for the year ended 31 December 2019.

***Principal Activity***

The principal activity of the company during the year continue to be the provision of pre-sale and marketing services for its ultimate parent company.

***Fixed assets***

Changes in tangible fixed assets during the year are detailed in note 9 of the financial statements.

***Dividend***

The directors do not recommend a distribution of dividend as this time.

***Directors***

The directors during the year under review were B. Darmon, J. Slavitt, E. Hershkovitz

None of the above have beneficial interest in the company's issued ordinary share capital.

***Statement of directors' responsibilities***

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with 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 (FRS 102).

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;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which 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.

The directors confirm that:-

- So far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware: and
- They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

***Covid 19***

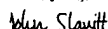
The Covid 19 pandemic and associated economic downturn that has occurred since the financial year end is likely to have a significant impact on many entities. The directors have considered the impact on the company and believe that as the source of the company income is for services provided to its parent company and as the parent company is primarily funding the UK company's cash flow; the impact of Covid 19 on the company is not significant.

***Auditors***

The auditors Levy Cohen & Co., are deemed to be re-appointed in accordance with Section 487 (2) of the Companies Act 2006.

Signed on behalf of the Board

DocuSigned by:

John Slavitt

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Director

Approved by the Board  
20 December 2021

**Independent Auditors' Report to the Shareholders Of**  
**CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.**

**OPINION**

We have audited the financial statements of Check Point Software Technologies (UK) Ltd for the year ended 31 December 2020 which comprise of the income statement, the statement of financial position, the statement of changes in equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006;

**BASIS FOR OPINION**

We conducted our audit with International Standards on Auditing (UK) ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 as a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to 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.
- our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Independent Auditors' Report to the Shareholders Of**  
**CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.**

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion:

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report has been prepared in accordance with applicable legal requirements.
- our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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;

**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement, 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 is necessary to enable the preparation of financial statements that are free from 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.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken in the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## Independent Auditors' Report to the Shareholders Of

### CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.

#### THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES INCLUDING FRAUD

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows: We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all our audits, we also addressed the risk of management override of internal controls by testing journal entries and evaluating whether there was evidence of management bias which represented a risk of material misstatement due to fraud.

As in all our audits, we also addressed the risk of management override of internal controls by testing journal entries and evaluating whether there was evidence of management bias which represented a risk of material misstatement due to fraud.

#### USE OF OUR REPORT

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



**Ran Shahmoon** (Senior statutory auditor)  
for and on behalf of LEVY COHEN & CO, Statutory Auditor  
37 Broadhurst Gardens, London, NW6 3QT

20 December 2021

# CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.

## Income Statement For The Year Ended 31 December 2020

	<u>Notes</u>	<i>2020</i> <b>£</b>	<i>2019</i> <b>£</b>
		<i><b>Total</b></i>	<i><b>Total</b></i>
<b>Turnover</b>	3	25,642,561	25,289,579
Pre-Sales and Marketing Cost		(21,140,211)	(18,876,061)
Administrative Expenses		<u>(3,281,276)</u>	<u>-(5,209,252)</u>
<b>Operating Profit</b>	4	1,221,074	1,204,266
Net Finance Expenses	7	<u>(26,525)</u>	<u>(29,142)</u>
<b>Profit on Ordinary Activities Before Taxation</b>		1,194,549	1,175,124
Taxation	8	<u>(292,813)</u>	<u>(353,771)</u>
<b>Profit for the Financial Year</b>		<u><b>£ 901,736</b></u>	<u><b>£ 821,353</b></u>

**CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.****Statement of Financial Position As At 31 December 2020**

		31.12.2020	31.12.2019
	Notes	£	£
<b>Fixed Assets</b>			
Tangible Assets	9	235,250	294,706
<b>Current Assets</b>			
Debtors	10	4,325,128	3,128,802
Cash at Bank and in Hand		1,092,301	2,803,378
		5,417,429	5,932,180
<b>Creditors: Amounts falling due within one year</b>	11	(3,799,526)	( 3,502,595)
<b>Net Current Assets</b>		1,617,903	2,429,585
<b>Total Assets Less Current Liabilities</b>		<b>1,853,153</b>	<b>2,724,291</b>
<b>Capital and Reserve</b>			
		31.12.2020	31.12.2019
		£	£
Called up Share Capital	13	2	2
Profit and Loss Account		1,853,151	2,724,289
<b>Shareholders' Fund</b>		<b>£1,853,153</b>	<b>£ 2,724,291</b>

The notes on pages 10 to 15 form part of these financial statements

Signed on behalf of the Board

DocuSigned by:

John Slavitt

J. Slavitt

Director

Approved by the Board  
20 December 2021



# CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.

## Statement of comprehensive income

For The Year Ended 31 December 2020

	2020	2019
	£	£
Profit	901,736	821,353
<i>Total comprehensive income for the year</i>	<u>£ 901,736</u>	<u>£ 821,353</u>

# CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.

## Statement of changes in Equity

	<u><i>Called up Share Capital</i></u> £	<u><i>Capital fund</i></u> £	<u><i>Retained Earnings</i></u> £	<u><i>Total</i></u> £
Balance as at 1.1.2019	2	-	1,210,961	1,210,963
Profit for the year	-	-	821,353	821,353
Share based payment	-	691,976	-	691,976
Transfer to retained earnings	-	(691,976)	691,976	-
<b>Balance as per 31.12.2019</b>	<u>2</u>	<u>-</u>	<u>2,724,289</u>	<u>2,724,291</u>
Balance as at 1.1.2020	2	-	2,724,289	2,724,291
Profit for the year	-	-	901,736	901,736
Dividend			(2,724,289)	
Share based payment	-	951,415	-	951,415
Transfer to retained earnings	-	(951,415)	951,415	-
<b>Balance as per 31.12.2020</b>	<u>2</u>	<u>-</u>	<u>1,853,151</u>	<u>1,853,153</u>

# **CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.**

## **Notes to the financial statements - 31 December 2020**

### **1. Accounting policies**

#### ***General Information***

Check Point Software Technologies (UK) Ltd. is incorporated and domicile in the UK. The registered office address is 37 Broadhurst Gardens, London NW6 3QT.

#### ***Statement of Compliance***

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### ***Summary of Significant Accounting Policies***

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

#### ***Basis of Accounting***

##### ***Basis of Preparation***

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The financial statements are prepared in gbp which is the functional currency.

##### ***Disclosure exemptions adapted***

The company is a qualifying entity for the purpose of FRS 102, being a member of a group where the parent of that group prepares publically available consolidated financial statements therefore the company is taking advantage of the exemptions from the following disclosure requirements:

- statement of cash flow
- share based payment disclosure
- related party transactions

##### ***Revenue recognition***

Revenue is measured at fair value of the consideration received or receivable and represents the amount receivable for services provided net of value at tax.

The company recognises revenue (a) services have been provided during the year (b) the amount of revenue can be reliably measured; (c) it is probable that future economic benefits will flow to the entity and (d) when the specific criteria relating to each of the company's sales channels have been met.

##### ***Tangible Fixed Assets***

Depreciation is provided at the following annual rates in order to write off the assets over their estimated useful lives:

- Leasehold Improvement - 10% straight line.
- Computers and software - 50% straight line.
- Office Equipment - 10% straight line.

##### ***Debtors***

Short term debtors that includes trade and other receivables are measured at transaction price, less any impairment.

##### ***Creditors***

Basic financial liabilities including trade and other payable, are measured at transaction price.

##### ***Deferred Taxation***

Deferred taxation is provided using the liability method to take into account timing differences arising from the inclusion of items of expenditure in taxation computations in periods that differ from those in which they are included in the financial statements to the extent that it is probable that a liability or assets will crystallize in the future.

Deferred tax is measured using tax rates and laws that have been enacted by the period end that are expected to apply to the reversal of timing differences.

##### ***Foreign currencies***

Monetary assets and liabilities in foreign currencies are translated into Sterling at the rate of exchange ruling at the Balance Sheet date.

Non monetary items are translated into sterling at the actual rate ruling on the date of the transaction. Foreign currency transactions relating to income and expenditure are translated into sterling at the rate of exchange ruling on the date of the transaction.

Exchange rate differences are recognised in profit or loss in the period which they arise.

# **CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.**

## **Notes to the financial statements - 31 December 2020**

### **1. Accounting policies (continued)/.....**

#### **(g) Employee Benefits**

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

##### *(i) Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

##### *(ii) Defined contribution pension plans*

The company operated 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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### *(iii) Bonus plan*

The company operates annual bonus plan for employees and expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payment under the plan as a result of passed events and reliable estimation of the obligation can be made.

##### *(iv) Share based payments*

Where the company participates in a share-based payment arrangement established by a group company by the company takes advantage of the alternative treatment allowed under Section 26 of FRS 102. The company recognises the share-based payment expenses based on an allocation of its share of the group's total expense, calculated in proportion to the number of participating employees. The corresponding credit is recognised in retained earnings as a component of equity.

#### **(h) Leasing Charges**

Rentals payable under operating leases are charged against profit as incurred.

### **2. Critical accounting judgement & estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### *(i) Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property plant and equipment, and note 1(c) for the useful economic lives for each class of assets.

##### *(ii) Share-based payments*

The company's employees have been granted share options by the ultimate parent company, Checkpoint Software Technologies Ltd. The company makes use of the exemption in Section 26 of FRS 102 to account for the expense based on a reasonable allocation of the parent company's total expense. The company has calculated its allocation of the parent company's total expense based on the number of participating employees in the company compared to the number of participating employees in the group.

The company also considered an allocation based on the relative remuneration cost of the relevant employees and considered that this gave rise to no significant differences in the allocated costs.

# **CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.**

## **Notes to the financial statements - 31 December 2020**

### **3. Turnover**

	2020 £	2019 £
Overseas	25,642,561	25,289,579
	<u>25,642,561</u>	<u>25,289,579</u>

### **4. Operating Profit**

	2020 £	2019 £
Operating profit is stated after charging:		
Depreciation on tangible fixed assets	62,319	68,715
Operating lease charges relating to land and buildings	385,657	385,205
Auditors' remuneration	8,500	8,500
	<u>456,476</u>	<u>462,420</u>

### **5. Staff Cost**

	2020 £	2019 £
Salaries and wages	16,979,234	15,289,736
Social security cost	2,413,934	2,138,292
Share based payments	951,415	691,976
Redundancy payments	99,269	61,488
Pension cost	736,980	599,072
Medical insurance	215,118	208,442
Other staff costs	129,230	130,620
	<u>21,525,180</u>	<u>19,119,626</u>

The average number of employees during the year was 144 (2019: 140).

### **6. Directors' Remunerations**

No remuneration were paid to any of the directors.

### **7. Net Finance Expenses**

	2020 £	2019 £
Exchange rate losses	(35,640)	(37,860)
Interest other	9,115	8,718
	<u>(26,525)</u>	<u>(29,142)</u>

# CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.

## Notes to the financial statements - 31 December 2020

### 8. Taxation

	2020 £	2019 £
Current Year	301,396	332,274
Deferred Tax	(8,583)	21,497
	<u>292,813</u>	<u>353,771</u>

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

Profit before taxation	<u>1,194,549</u>	<u>1,175,124</u>
Expected tax charge on standard rate of Corporation Tax in the UK of 19% (2019 19%).	226,964	223,274
Permanent differences	61,914	113,804
Timing differences	3,935	16,693
Taxation charge for the year	<u>292,813</u>	<u>353,771</u>

### 9. Tangible Fixed Assets

	<i>Leasehold Improvement</i> £	<i>Computer &amp; software</i> £	<i>Furniture and office equipment</i> £	<i>Total</i> £
<b>Cost:</b>				
As at 1 January 2020	177,400	23,935	260,661	461,996
Acquisition	-	2,863	-	2,863
At 31 December 2020	<u>177,400</u>	<u>26,798</u>	<u>260,661</u>	<u>464,859</u>
<b>Depreciation:</b>				
As at 1 January 2020	50,870	21,299	95,121	167,290
Charge for the year	17,740	2,972	41,607	62,319
At 31 December 2020	<u>68,610</u>	<u>24,271</u>	<u>136,728</u>	<u>229,609</u>
<b>Net Book Value:</b>				
At 31 December 2020	<u>108,790</u>	<u>2,527</u>	<u>123,933</u>	<u>235,250</u>
At 31 December 2019	<u>126,530</u>	<u>2,636</u>	<u>165,540</u>	<u>294,706</u>

### 10. Debtors

	31.12.2020 £	31.12.2019 £
Parent company	3,685,112	2,237,303
Associate companies	-	-
VAT	89,794	341,712
Prepayments and other debtors	500,135	508,283
Deferred tax asset (note 12)	50,087	41,504
	<u>4,325,128</u>	<u>3,128,802</u>

# **CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.**

## **Notes to the financial statements - 31 December 2020**

### **11. Creditors: Amounts falling due within one year**

	31.12.2020 £	31.12.2019 £
Trade creditors	125,539	101,997
Corporation tax	171,453	103,185
Other tax and social security costs	669,363	528,309
Accruals and other creditors	2,833,171	2,769,104
	<u>3,799,526</u>	<u>3,502,595</u>

### **12. Deferred Tax Asset**

	31.12.2020 £	31.12.2019 £
At 1 January	41,504	63,001
Transferred to profit and loss account	8,583	(21,497)
At 31 December	<u>50,087</u>	<u>41,504</u>

The amount of deferred tax asset relates to the following timing differences:

	31.12.2020 £	31.12.2019 £
Excess of capital allowance over depreciation	(15,948)	(22,101)
Share based payments	66,035	63,605
	<u>50,087</u>	<u>41,504</u>

### **13. Called Up Share Capital**

	31.12.2020 £	31.12.2019 £
<b>Authorized:</b>		
1,000 Ordinary shares at £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid:</b>		
2 Ordinary shares at £1 each	<u>2</u>	<u>2</u>

### **14. Pension Costs**

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 charge represents the contribution payable by the company to the fund amounting to £736,980 (2018 - £599,072).

# **CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.**

## **Notes to the financial statements - 31 December 2020**

### **15. Financial Commitments**

As at 31 December 2019 the company had a commitment for operating lease rental for its office under non-cancellable operating lease agreements as follows:

	2020	2019
	£	£
Operating lease commitments expiring within one year	427,208	427,208
Operating lease commitments expiring within 2-5 years	35,601	462,808
	<u>462,809</u>	<u>890,016</u>

At 31 December 2020 the company had yearly commitments of £5174 (2019 - £5,174) under non-cancellable operating lease agreement that will expire within 1 year (2019 1 year).

### **16. Related Party Disclosures**

#### **Control:**

The company is a wholly owned subsidiary of Checkpoint Software Technologies (Netherlands) B.V., a foreign company incorporated in Netherland.

The ultimate parent company is Checkpoint Software Technologies Ltd, a public company registered in Israel who is the largest group to prepare consolidated accounts that are publically available.

#### **Transactions:**

In accordance with FRS 102 paragraph 33.1A the company is exempt from disclosure of related party transactions with related parties that are wholly owned subsidiaries of Checkpoint Software Technologies Ltd (the ultimate parent company).

### **17. Going concern**

The company has a positive equity and positive net current assets. The company is profitable and will continue to be profitable in the future as according to the group TP policy the company is entitled to a fixed margin on the services provided to the parent company and it is primarily funded by its parent company.

Taking into account the above, and also the effect of Covid 19 (see director's report) the director is of the opinion that the company can continue to operate as a going concern.

### **18. Post balance sheet events**

During 2020, HMRC initiated a transferring price enquiry for the tax years 2017, 2018 and 2019 and issued a discovery assessment for 2016 which was appealed by the company. As at the sign off date of these financial statements, the enquiry is ongoing and in accordance with the tax consultant who advised the company in this matter, a further negotiation will be carried out in the future and currently the outcome of the enquiry is uncertain.



# **CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.**

## **Detailed Income Statement** **For The Year Ended 31 December 2020**

	2020	2019
	£	£
<b>Turnover</b>	25,642,561	25,289,579
<b><i>Pre-Sales and Marketing Cost</i></b>		
Salaries and wages	16,719,295.00	15,036,248
Social security cost	2,381,656	2,109,075
Share based payments	951,415	691,976
Redundancy	99,269	61,488
Staff recruitment	60,092	161,542
Marketing and promotion	928,484	815,732
Total Pre-Sales and Marketing Expenses	( 21,140,211)	( 18,876,061)
<b><i>Administrative Expenses</i></b>		
Staff costs:		
Salaries and wages	259,939	253,488
Social security cost	32,278	29,217
Pension	736,980	599,072
Staff medical insurance	215,118	208,442
Other staff costs	129,230	130,620
	( 1,373,545)	( 1,220,839)
<b><i>Facilities Expenses:</i></b>		
Rent and rates	650,648	638,557
Maintenance and service charge	22,728	11,332
	( 673,376)	( 649,889)

*Continued/.....*

# **CHECK POINT SOFTWARE TECHNOLOGIES (UK) LTD.**

## **Detailed Income Statement** **For The Year Ended 31 December 2020**

	£	£	2019 £
<b>General Administrative Expenses:</b>			
Postage and telephone	166,824		249,083
General office expenses	145,209		237,290
Audit and accounting	11,663		55,121
Legal and professional	38,595		42,205
Travelling and subsistence	471,587		2,047,592
Bank charges	12,726		14,410
Donation	-		(188)
Entertainment	325,432		624,296
Depreciation	62,319		68,715
	<u>( 1,234,355)</u>		<u>( 3,338,524)</u>
 Total Administrative Expenses		<u>( 3,281,276)</u>	<u>( 5,209,252)</u>
 <b>Operating Profit</b>		1,221,074	1,204,266
 <b>Net Finance Expenses</b>			
Net finance expenses		(26,525)	(29,142)
 <b>Profit on ordinary activities before taxation</b>		<u><u>£ 1,194,549</u></u>	<u><u>£ 1,175,124</u></u>