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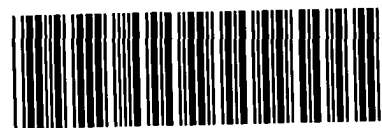
**SAS SOFTWARE LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**SAS SOFTWARE LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	Wm. David Davis
<b>Company secretary</b>	Gary J Burrige
<b>Registered number</b>	01316437
<b>Registered office</b>	Wittington House Henley Road Medmenham Marlow Buckinghamshire SL7 2EB
<b>Independent auditor</b>	BDO LLP Level 12, Thames Tower Reading Berkshire RG1 1LX
<b>Bankers</b>	National Westminster Bank 7 High Street Marlow Buckinghamshire SL7 1AY

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**SAS SOFTWARE LIMITED**

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**CONTENTS**

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	Page
<b>Strategic report</b>	1 - 6
<b>Director's report</b>	7 - 10
<b>Independent auditor's report</b>	11 - 15
<b>Statement of comprehensive income</b>	16
<b>Statement of financial position</b>	17
<b>Statement of changes in equity</b>	18
<b>Statement of cash flows</b>	19
<b>Notes to the financial statements</b>	20 - 37

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**SAS SOFTWARE LIMITED**


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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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The Director presents this Strategic report together with the audited financial statements of SAS Software Limited (the "Company") for the year ended 31 December 2022.

**Principal activity and review of the business**

The principal activity of the Company is to license software to business customers, typically on an annual basis, and to provide professional services, most notably consultancy, training, hosting and remote managed services, to support the installation, adoption and use of the software licensed.

The Company's key financial and other performance indicators during the year were as follows:

	<u>2022</u>	<u>2021</u>	<u>Growth</u>
Software licence revenue before deferrals (£'000)	<b>118,098</b>	104,590	13%
Software licence revenue deferrals (£'000)	<b>(5,925)</b>	(4,899)	21%
Net software licence revenue (£'000)	<b>112,173</b>	99,691	13%
Services and other operating revenue (£'000)	<b>45,222</b>	39,619	14%
Turnover (£'000)	<b>157,395</b>	139,310	13%
Renewal revenue retention %	<b>97%</b>	95%	
Total expenses (£'000)	<b>153,466</b>	135,878	13%
Average number of employees	<b>676</b>	655	3%
Closing number of employees	<b>689</b>	649	6%
Revenue per head (£'000)	<b>233</b>	213	9%
Current assets as a % of current liabilities	<b>111%</b>	97%	
Net pre-tax statutory profit (£'000)	<b>4,940</b>	4,192	18%

In 2022 total turnover was £157.4m (2021: £139.3m), a 13% increase on the previous financial year.

Net software license revenue of £112.2m increased by 13% (2021: £99.7m) and accounted for 71% of turnover (2021: 72%). Software license revenue is typically contracted for a fixed 12 month or greater license period and is recognised into revenue evenly over the duration of each underlying license. As a consequence, a proportion of license revenues sold in 2022 will be deferred for recognition into turnover in future accounting periods, whilst a proportion of license revenues sold in prior financial years would be recognised into 2022 turnover. Total net software license revenue deferrals have increased by £1.0m (2021: increased by £14.8m), showing a net deferral in 2022 of £5.9m (2021: £4.9m).

Renewal revenues relate to customer software licenses originally contracted in 2021 or earlier and which have continued to be licensed by the customer in 2022. Renewal revenue retention rates have remained strong at 97% (2021: 95%), underlining continued loyalty from the Company's existing customer base and continued value offered by the SAS software product suite.

Services and other operating revenue of £45.2m (2021: £39.6m) grew by 14% in the year and accounted for 29% of total turnover (2021: 28%). Consultancy services accounted for £29.9m of this revenue, increasing by 13% over the previous financial year (2021: £26.4m). Hosting revenues of £11.0m (2021: £6.6m) grew by 67% aligned to the Company's strategy of delivering strong cloud growth.

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**SAS SOFTWARE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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Total expenses of £153.5m increased by 13% from the previous year (2021: £135.9m). Closing headcount increased to 689 (2021: 649) by the end of 2022, which was the primary driver behind the overall expenditure increase compared to the previous year. In addition, the Company experienced cost increases in travel and business development as a result of exiting the pandemic, as the Company begins to return to pre-pandemic activities and events. The increase in total operating revenues being proportionally greater than the increase in total expenses has generated an increase in profits before tax in 2022 to £4.9m (2021: £4.2m). Closing cash balances decreased to £24.5m (2021: £36.8m), primarily due to strong Q4 sales resulting in a significantly higher debtors position compared to prior years. The Company continued to maintain a healthy liquidity ratio of 111% (2021: 97%).

During 2021, the share capital of Boemska doo Beograd, a limited liability company incorporated under the laws of the Republic of Serbia, were transferred to SAS Software Limited. At the point of transfer and 31 December 2021, the entity had ceased to trade and was a dormant entity. The Company was dissolved with the Serbian authorities on 3 March 2023.

**Principal risks and uncertainties**

The principal risks and uncertainties facing the Company are broadly grouped as economic pressures and uncertainty, competitive, legislative and financial instrument risk.

**Economic pressures and uncertainty**

The industry in which the Company operates is susceptible to significant changes in the strength of the global and local economy and the financial health of companies that make capital commitments for new technologies.

**Competitive risks**

The Company operates in the advanced and predictive analytics software marketplace. Software solutions and offerings are developed by the Company's ultimate parent, SAS Institute Inc., and are marketed, sold, implemented and supported by SAS Software Limited predominantly within the UK.

The continued expansion of data increases opportunities for value to be delivered to organisations of all sizes in both public and private sectors via business analytics, particularly by predictive analytics tools and solutions. Demand has and will continue to increase for artificial intelligence, fraud, risk management and cloud solutions. Data protection regulations such as GDPR and increasingly complex data landscapes will mean data governance and data quality capabilities will become of increasing importance. Customer choice for how to harness the value from data will continue to grow, as will their choice of commercial options to achieve this.

The growth in opportunities continues to attract new entrants into the business analytics space alongside consolidation within the sector and the Company's established competitors. Whilst use of open-source technologies continues to grow and demand for 'good enough' analytics continues to strengthen, SAS Software Limited remains well placed to compete and succeed with these developments.

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**SAS SOFTWARE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Principal risks and uncertainties (continued)**

As part of the SAS Institute Inc. Group, recognised as the leader in predictive and advanced analytics, the Company has extensive experience, proven solutions and a deep, diverse and loyal customer portfolio. It is committed to continue to invest to grow the Company's product and solution offerings in critical, established and emerging areas and the commercial options available to access those offerings. The Group continues its innovation by accelerating solutions to Viya 4, modernising our customer base, and improving the performance and scalability of our software. Our partnership with Microsoft, as well as our SAS Cloud and X-as-a-Service offerings, will continue to play key roles in the Company's cloud and GTM strategy. Targeted investments will continue to be made to accelerate growth in its other core areas of machine learning, analytics, fraud, risk management, data management and customer intelligence in addition to cloud, Internet of Things and expansions into the mid-market. The Company will continue to expand its reach to the market by extending its relationships with systems integrators, resellers, OEMs and managed analytic service providers. Analysts continue to endorse SAS' position as a leader in its chosen markets, which increases the Company's ability to attract and retain a high-quality workforce, supported by the Company's on-going commitment to strengthen employee engagement.

The Company believes these factors mean they are well placed to continue to compete successfully against its competitors and to profitably grow their market share in its chosen markets.

**Legislative risks**

The Company continues to monitor best practice and legislative changes in all of its operations and to adopt progressive policies in their regard. Further it continues to develop new software and related consulting services solutions which assist its customers in complying with changing legislation affecting their own operations.

General Data Protection Regulation introduced in 2018 has had an impact on most organisations. The Company is proactively committed in ensuring its full compliance in this regard and in providing software and services solutions to the market to assist existing and prospective customers.

**Financial instruments risks**

The Company has an established financial management framework whose primary objectives are to protect the Company from events which hinder the achievement of its performance objectives. The framework aims to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk. The Company has a strong credit control function to ensure deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

**Operational risks**

This risk relates to the risk of financial loss resulting from internal processes, people and systems. The Company manages this risk through appropriate internal controls, continuous process improvement and management review.

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**SAS SOFTWARE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Section 172 statement**

The Director continues to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Director considers what is most likely to promote the success of the Company for its members in the long term.

**1. Interests of Employees**

The Company has an on-going commitment to strengthen employee engagement by regularly seeking employee engagement and manager feedback to drive continuous improvements.

The Company is committed to providing its employees with equal opportunities in a workplace free from discrimination. Recruitment, selection and career development are based on competence and job requirements, irrespective of race, sex, sexual orientation, religion or disability. SAS has demonstrated its strong commitment to diversity and inclusion by participating in the CEO Action for Diversity and Inclusion, which is the largest CEO driven business commitment to advance diversity and inclusion in the workplace. The Company publishes gender pay gap and diversity information on its website.

The Company gives full consideration to applications for employment from disabled persons where a handicapped or disabled person can adequately fulfil the requirements of the job. Where existing employees become disabled it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled persons wherever appropriate.

Details of the Company's approach to employee engagement can be found in the Director's Report on page 8.

**2. Business Relationships**

SAS values its' supply network, therefore it is imperative that strong and reliable relationships are maintained. The Company endeavours to meet all of its payment obligations as they fall due, this is highlighted by the supplier payment practices reporting for the period July – December 2022, detailing an average time to pay of 20 days. Annual supplier reviews are carried out to ensure that we continue to work with the best suppliers, that align to SAS' values and meet our strict due diligence criteria.

Events are regularly held for the Company's customers, such as the annual SAS Forum, where we drive customer engagement, share customer insights and provide the latest Company news. We continue to support our customers through this challenging time.

The Company has continued proactive engagement with HMRC, with no overdue debt outstanding.

## SAS SOFTWARE LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3. Impact on community and environment

The SAS global green initiative represents the continuous effort by SAS employees around the world to grow and maintain a successful business without sacrificing our planet's natural resources. Sustainable environmental issues, such as preservation of natural resources, energy efficiency, reuse and recycling are concerns worthy of exploration, careful attention and diligent action. The below is our annual efficiency energy statement supported by our Intensity ratio performance:

Date Period	Total Energy Consumed Year to Date in (kWh)					Total Carbon Dioxide Emitted Year to Date in (tCO <sub>2</sub> e)			Intensity Ratio
	Electricity	Natural Gas	Transport	LPG	Total	Scope 1	Scope 2 (LB)	Scope 1 & 2	tCO <sub>2</sub> e/£m
2022	2,652,531	49,653	151,662	1,059,989	3,913,835	273	513	786	4.99
2021	2,154,552	63,586	33,318	1,148,104	3,399,560	266	457	723	5.19

Measures that the Company have implemented/continued include:

- Purchasing 100% of our energy for our HQ in Marlow from 'Green' energy sources (biomass & wind);
- Leased office space occupied is on Green energy tariffs.
- During 2022 we have continued to replace internal lights across the Marlow campus with LED Lamps; removing switches and replacing with PIR/sensors where possible.
- During 2022 we have continued to replace external lighting across the Marlow campus with LED bulbs or solar lighting.
- Replaced refrigeration units with high efficiency chillers.
- Communal recycling facilities throughout all UKI office spaces, and facilities at HQ for employees to recycle unwanted clothes and shoes.
- In 2022 we conducted waste audits to help identify waste in the general waste stream, and investigated alternatives to increase recycling %.
- Charging stations for electric vehicles at our Marlow HQ to encourage the uptake of electric vehicles amongst employees who commute to work.
- In 2022 we appointed an energy consultant to help us develop an on-going Carbon Management Plan designed to set out and meet our carbon reduction targets.

We host a number of activities where we give back to the community, including:

- Hosting local events on the grounds of our head office estate.
- Providing use of our cricket grounds to our local cricket team.
- Involvement in STEM education.
- Continuation of the SAS STEP programme which offers free data analytics training to support the re-skilling of workers in the UK impacted by the Covid-19 pandemic.
- Charitable giving.
- Employee volunteering in the local community.

#### 4. Maintain reputation for high standards

The Company strives to maintain its reputation for high standards and all employees are encouraged and expected to represent the Company in this way. The Company maintains an ISO 270001 certification for its Information Security Management. All employees are required to undertake mandatory training on areas such as Anti Money Laundering, Antibribery and Corruption, and Information Security to ensure that they are aligned to the Company's procedures.

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**SAS SOFTWARE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**5. Act fairly between members of the Company**

The Company is owned by its parent company, SAS Institute Inc., who is responsible for ensuring that the Group act fairly between members.

**6. Likely consequence of any decisions in the long term**

The Company operates under a limited distribution model and therefore is not responsible for global strategic decision making. Local operational decisions are made at the Company level however strategic long-term decisions are made for the Group by the ultimate parent company.

This report was approved by the board on 28-Sep-2023 | 11:20 AM EDT and signed on its behalf.

DocuSigned by:  
*Wm. David Davis*  
095673C0BE6A410  
**Wm. David Davis**  
Director

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**SAS SOFTWARE LIMITED**

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**DIRECTOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Director presents his report and the financial statements for the year ended 31 December 2022.

**Results and dividends**

The profit for the year, after taxation, amounted to £3,882,322 (2021: £3,137,049).

The Director does not recommend payment of a final dividend for the year 31 December 2022 (2021: £Nil).

**Going concern**

The Company's business activities, together with the factors likely to affect its future development, its financial position and its exposure to competitive and legislative risks are described in the review of the Strategic report on pages 1 to 6.

The Company has considerable financial resources together with long-term contracts with a number of customers across different geographical areas and industries. It is free of material long-term debt and owns the freehold of its headquarters set in 110 acres in Medmenham, Buckinghamshire. The Director believes that the Company is well placed to manage its risks successfully.

The "quick ratio" of the Company (current assets as a percentage of current liabilities) has increased to 108% as at 31 December 2022 (2021: 97%). The Company maintains a healthy cash balance of £24.5m at 31 December 2022 (2021: £36.8m).

The overall level of the "quick ratio" does not reflect the true overall strength of the Company's Statement of financial position. Long-term liabilities reported at 31 December 2022 reflects deferred software licence revenue which will not be recognised into turnover before the start of 2024. As with deferred software licence revenue reported within current liabilities these amounts are underpinned by committed customer contracts.

All fixed assets reported in the Statement of financial position as at 31 December 2022 are stated at their historic cost. The Company, aside from deferred revenue stated above, has no long-term liabilities.

The Director no longer considers the Covid-19 pandemic to be a consideration for the Company's going concern due to the minimal impact on the Company's operations over the last three years. The resilience of the Company during the pandemic, showing increased turnover highlights the fundamental strength of the business. The Company has adopted a flexible working policy as a result of the pandemic, but this has not impacted performance or productivity and we do not foresee any problems with the ongoing operations or financial stability of the Company. Global macro environmental pressures mean that the Company is facing increased costs due to high inflation and rising interest rates. However, as the Company's costs are largely fixed with no third-party debt, it is not foreseen that this will have a material impact on the Company's going concern position going forward. As noted above, the Company has significant cash resources to allow it to continue to meet liabilities as they fall due.

The Company operates under a limited distribution model whereby the Company is guaranteed a fixed margin by its parent company, SAS Institute Inc. The Director has therefore considered this alongside the going concern of the parent company in assessing the going concern of the Company.

After making enquiries, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result of the Company's performance and financial position, the Director does not consider there to be any material uncertainty relating to the Company's ability to continue as a going concern. Accordingly, he continues to adopt the going concern basis in preparing the report and financial statements.

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**SAS SOFTWARE LIMITED**

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**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Director**

The Director who served during the year was:

Wm. David Davis

**Director's indemnity insurance**

The Company's parent has granted an indemnity to the Company's Director against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Director's report.

**Political and charitable contributions**

During the year the Company made contributions totalling £18,930 (2021: £1,641) to registered charities. No political contributions were made during the year (2021: £Nil).

**Employee involvement**

During the year the policy of providing employees with information about the Company has continued through the 'Inside SAS' Intranet site in which employees have been encouraged to present their suggestions and views on the Company's performance. A weekly communication 'The weekly wrap' is issued to all staff providing corporate updates from each area of the business.

Regular 'All Hands' meetings between local senior management and employees are held provide information and updates and are supported by regular written, audio and audio visual communications to update staff on Company news and progress.

Employee forums are open to all staff to participate in and are held regularly to review and make recommendations in regard to the Company's policies and practices whilst all managers in the business are encouraged to hold regular meetings with their staff on a one to one and whole team basis. In addition, the Company's People Charter outlines expected behaviours and approaches all employees in relation to supporting the Company to meet its goals.

Monthly management meetings are held by all functional heads to facilitate a formal review of activities and exchange of ideas across the business. These are informed and supported by strategic quarterly business reviews.

Employees participate directly in the success of the business through the Company's annual bonus scheme.

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**SAS SOFTWARE LIMITED**

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**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Future developments**

The rapid growth in data and advancement of technology to broaden the ways in which it is accessed and utilised will only increase the use of business and predictive analytics tools and solutions across all sectors. To succeed, organisations must find innovative ways to put analytics into action and unlock the value from their data. This plays to the core strengths of SAS Software Limited whose broad breadth and depth of advanced and predictive analytics solutions, data management and data visualisation offerings provides a complete analytics environment to do this. With continuing committed investment from SAS Software Limited's parent company, SAS Institute Inc., from enhanced cloud and Analytics-as-a-Service options to new industry solutions, throughout 2023 the Company will be unveiling more ways to help customers and prospects in its chosen markets.

Alongside consolidating offerings to market the Company will continue to invest strongly in broadening its ecosystem to offer more options for implementing SAS software, continue to increase the options available for how analytics is delivered, to further strengthen its expertise across domains and to work closely with its customer base to ensure its innovation continues towards solving significant business needs.

The business continues to review its continuity of business plans to ensure that all critical operations remain current, and the business can effectively meet the requirements of its stakeholders.

**Research and development activities**

The Company has undertaken significant investment in research and development, with £10.3m spent in the year ended 31 December 2022 (2021: £8.3m). The research and development function have continued to innovate and develop new products and solutions that are appropriate to the marketplace and to broaden its product footprint.

**Director's responsibilities statement**

The Director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has 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 Director must not approve the financial statements unless 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 Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

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**SAS SOFTWARE LIMITED**

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**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Disclosure of information to auditor**

The Director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Strategic report**

The Company has chosen in accordance with the Companies Act 2006, section 414C(11) to set out in the Company's Strategic report information in respect of financial instruments required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Schedule 7 to be contained in the Director's report.

**Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28-Sep-2023 | 11:20 AM EDT

and signed on its behalf.

DocuSigned by:  
*Wm. David Davis*  
095673CD8F6A410  
**Wm. David Davis**  
Director

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**SAS SOFTWARE LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAS SOFTWARE LIMITED**

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**Opinion**

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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.

We have audited the financial statements of SAS Software Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows 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).

**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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director with respect to going concern are described in the relevant sections of this report.

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**SAS SOFTWARE LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAS SOFTWARE LIMITED (CONTINUED)**

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**Other information**

The Director is 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.

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.

**Other Companies Act 2006 reporting**

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

- the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

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 Strategic report or the Director's report.

We have nothing to report in respect of the following matters in relation to which 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of the Director**

As explained more fully in the Director's responsibilities statement, the Director is 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 Director determines is 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 Director is 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 Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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**SAS SOFTWARE LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAS SOFTWARE LIMITED (CONTINUED)**

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**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 on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

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:

*Non-compliance with laws and regulations*

We have obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the industry in which it operates. We determined that the most significant law and regulations which are directly relevant to specific assertions in the financial statements are those related to the applicable accounting frameworks, the Companies Act 2006, industry specific regulation and employment and taxation laws and regulations in the jurisdictions in which the Company operates.

Our procedures included the following:

- Reviewing the adequacy and appropriateness of tax provisioning by agreeing the data used in the calculations to audited schedules and ensuring that the provisioning was calculated in line with relevant tax laws and regulations;
- Agreeing the financial statement disclosures to underlying supporting documentation; and
- We understood how the Company is complying with those legal and regulatory frameworks, by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and regulatory inquiries that we have obtained from the UK Controller.

*Fraud*

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management from across the Company to understand where they considered there was a susceptibility to fraud. We identified fraud risks in relation to management override of controls and appropriateness of revenue recognition around the year end where incentive might exist to accelerate (or decelerate) earnings.

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**SAS SOFTWARE LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAS SOFTWARE LIMITED (CONTINUED)**

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Our procedures included the following:

- Enquire of management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the processes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how management monitors those processes and controls;
- Considering managements estimates and judgements applied in the preparation of the financial statements throughout the audit, individually and in aggregate, to evaluate whether there were any indications of bias in the application of these judgements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing journal entry testing, focusing on journal entries containing defined characteristics and large or unusual transactions based on our knowledge of the business by agreeing to supporting documentation; and
- In response to the risk of fraud in revenue recognition, we have tested a sample of revenue recognised and amounts recognised during the year, and around the year end, to source documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were deemed to have the appropriate competence and capabilities, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

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**SAS SOFTWARE LIMITED**

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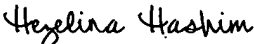
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAS SOFTWARE LIMITED (CONTINUED)**

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**Use of our report**

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 an Auditor's report 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.

DocuSigned by:

  
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Hezelina Hashim (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Reading, UK  
Date: 28 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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**SAS SOFTWARE LIMITED**


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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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	Note	2022 £	2021 £
Turnover	3	157,395,465	139,309,514
Cost of sales		(73,311,839)	(57,496,943)
<b>Gross profit</b>		<b>84,083,626</b>	<b>81,812,571</b>
Administrative expenses		(80,153,723)	(78,381,402)
Other operating income	4	955,159	757,001
<b>Operating profit</b>	5	<b>4,885,062</b>	<b>4,188,170</b>
Interest receivable and similar income	9	55,027	3,759
<b>Profit before tax</b>		<b>4,940,089</b>	<b>4,191,929</b>
Tax on profit	10	(1,057,767)	(1,054,880)
<b>Profit for the financial year</b>		<b>3,882,322</b>	<b>3,137,049</b>

All amounts relate to continuing activities.


The notes on pages 20 to 37 form part of these financial statements.

**SAS SOFTWARE LIMITED**  
**REGISTERED NUMBER: 01316437**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	11	22,397,939	23,797,797
Investments	12	3	3
		<u>22,397,942</u>	<u>23,797,800</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	114,126,764	77,238,713
Cash at bank and in hand		24,452,365	36,781,427
		<u>138,579,129</u>	<u>114,020,140</u>
Creditors: amounts falling due within one year	14	(125,016,067)	(118,071,483)
<b>Net current assets/(liabilities)</b>		<u>13,563,062</u>	<u>(4,051,343)</u>
<b>Total assets less current liabilities</b>		<u>35,961,004</u>	<u>19,746,457</u>
Creditors: amounts falling due after more than one year	15	(22,914,680)	(10,702,751)
<b>Provisions for liabilities</b>			
Deferred tax	17	(1,366,586)	(1,246,290)
		<u>(1,366,586)</u>	<u>(1,246,290)</u>
<b>Net assets</b>		<u><u>11,679,738</u></u>	<u><u>7,797,416</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	1,000	1,000
Profit and loss account	19	11,678,738	7,796,416
<b>Total capital and reserves</b>		<u><u>11,679,738</u></u>	<u><u>7,797,416</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28-Sep-2023 | 11:20 AM EDT

DocuSigned by:  
  
095573CDBF6A410...  
**Wm. David Davis**  
 Director

The notes on pages 20 to 37 form part of these financial statements.

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**SAS SOFTWARE LIMITED**


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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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	Called up share capital	Profit and loss account	Total capital and reserves
	£	£	£
At 1 January 2022	1,000	7,796,416	7,797,416
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,882,322	3,882,322
<b>At 31 December 2022</b>	<u>1,000</u>	<u>11,678,738</u>	<u>11,679,738</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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	Called up share capital	Profit and loss account	Total capital and reserves
	£	£	£
At 1 January 2021	1,000	4,659,367	4,660,367
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,137,049	3,137,049
<b>At 31 December 2021</b>	<u>1,000</u>	<u>7,796,416</u>	<u>7,797,416</u>

The notes on pages 20 to 37 form part of these financial statements.

**SAS SOFTWARE LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,882,322	3,137,049
<b>Adjustments for:</b>		
Depreciation of tangible assets	2,007,844	2,078,722
Loss on disposal of tangible assets	18,885	2,958
Research and development credit	(445,744)	(344,436)
Interest received	(55,027)	(3,759)
Taxation charge	1,057,767	1,054,880
Increase in debtors	(36,170,270)	(26,474,687)
Increase/(decrease) in creditors	19,156,572	(5,889,776)
Corporation tax paid	(1,209,509)	(651,413)
<b>Net cash used in operating activities</b>	<b>(11,757,160)</b>	<b>(27,090,462)</b>
 <b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(626,929)	(437,539)
Proceeds from disposals of tangible fixed assets	-	5,032
Interest received	55,027	3,759
<b>Net cash from investing activities</b>	<b>(571,902)</b>	<b>(428,748)</b>
 <b>Net decrease in cash and cash equivalents</b>	<b>(12,329,062)</b>	<b>(27,519,210)</b>
Cash and cash equivalents at beginning of year	36,781,427	64,300,637
<b>Cash and cash equivalents at the end of year</b>	<b>24,452,365</b>	<b>36,781,427</b>
 <b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	24,452,365	36,781,427

The notes on pages 20 to 37 form part of these financial statements.

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**SAS SOFTWARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. Accounting policies****1.1 Basis of preparation of financial statements**

The Company is a private company limited by shares incorporated and domiciled in England and Wales. Its registered office is Wittington House, Henley Road, Medmenham, Marlow, Buckinghamshire, SL7 2EB.

The principal activity of the Company during the year was to licence software to business customers, typically on an annual basis and to provide professional services, most notably consultancy and training to support the installation, adoption and use of the software licensed.

These individual entity financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The presentation currency is GBP and monetary amounts in these financial statements are rounded to the nearest £1.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 "Statement of financial position" - Reconciliation of the opening and closing number of shares.
- Section 33 "Related Party Disclosures" - Compensation for key management personnel.

This 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 2).

The Company operates under a limited distribution model whereby the Company is guaranteed a fixed margin by its ultimate parent company, SAS Institute Inc. The Director has therefore considered this alongside the going concern of the ultimate parent company in assessing the going concern of the Company.

After making enquiries, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result of the Company's performance and financial position, the Director does not consider there to be any material uncertainty relating to the Company's ability to continue as a going concern. Accordingly, he continues to adopt the going concern basis in preparing the report and financial statements.

The principal accounting policies applied are described below:

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**SAS SOFTWARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. Accounting policies (continued)****1.2 Revenue**

Revenue is recognised over the life of each software licence. Invoices raised during the year are included in turnover only to the extent that the related software licence period and maintenance period has been used at the financial year-end, unused periods beyond this date are shown within the financial statements as deferred income.

Fixed price consulting is recognised on percentage completion derived from the costs incurred to date or milestone events and time and material contracts are recognised as work is completed. Training revenue is recognised on course completion. Hosting revenue is recognised over the life of the contract.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

- the 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.

**1.3 Other operating income**

Other operating income is recognised in profit or loss and represents staff costs recharged to other group companies on a cost plus mark-up basis.

Miscellaneous non-operating income represents tax credits receivable as the result of carrying out qualifying research and development activity.

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**SAS SOFTWARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. Accounting policies (continued)****1.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both the straight-line and reducing balance method.

Depreciation is provided on the following bases:

Freehold property	- 10-40 years straight line
Plant and machinery	- 25% reducing balance
Motor vehicles	- 25% straight line
Fixtures and fittings	- 10% straight line
Equipment and furniture	- 10% straight line
Technical equipment	- 33% 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 within 'administrative expenses' in profit or loss.

**1.5 Operating leases: lessee**

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

The buildings leases entail rent free incentives and the lease expense has been reduced on a straight-line basis over the entire term of the lease.

**1.6 Impairment of fixed assets**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is an indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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**SAS SOFTWARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. Accounting policies (continued)****1.7 Valuation of investments**

Investments in unlisted company shares are measured at cost less accumulated impairment.

**1.8 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**1.9 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.

**1.10 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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**SAS SOFTWARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. Accounting policies (continued)****1.11 Hedging arrangements**

The Company applies hedge accounting in respect of forward exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies. At each year end an up-to-date Mark to Market (MTM) report is used to fair value the open contracts. Forward exchange contracts are held to manage the exchange rate exposures and are designated as cash flow hedges of changes in exchange rates. Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised in other comprehensive income. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the income statement. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

**1.12 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**1.13 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**1.14 Dividends**

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

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**SAS SOFTWARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. Accounting policies (continued)****1.15 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 payments obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**1.16 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.

**1.17 Interest income**

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

**1.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change 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.

Deferred 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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**SAS SOFTWARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. Accounting policies (continued)****1.19 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

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

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the Director has made the following judgements:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating leases 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 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:

- Tangible fixed assets (see note 11)

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 (see note 13)

Trade debtors are reviewed for impairment loss on an annual 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.

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**SAS SOFTWARE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**3. Analysis of turnover**

Turnover is stated net of Value Added Tax, and represents revenues that can be recognised. These include software licence fees for elapsed terms, consulting and training revenues for the value of services provided.

The Company's turnover was derived from its principal continuing activities.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	153,130,625	137,589,250
Rest of Europe	5,097,405	765,097
United States of America	359,213	88,759
Rest of World	(1,191,778)	866,408
	<u>157,395,465</u>	<u>139,309,514</u>

**4. Other operating income**

	2022 £	2021 £
Amounts recharged to other Group companies	10,790,221	8,663,866
Miscellaneous non-operating income	445,744	344,436
Less staff costs (note 7)	(10,280,806)	(8,251,301)
	<u>955,159</u>	<u>757,001</u>

**5. Operating profit**

The operating profit is stated after charging:

	2022 £	2021 £
Research and development expense	10,280,806	8,251,301
Depreciation of tangible assets owned by company	2,007,844	2,078,722
Other operating lease rentals	1,373,601	1,317,414
Loss on disposal of tangible fixed assets	18,885	2,958
Exchange differences	283,992	18,335
	<u>14,964,128</u>	<u>13,928,730</u>

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**SAS SOFTWARE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**6. Auditor's remuneration**

	2022 £	2021 £
Fees payable to the Company's auditor and its associates in respect of:		
Audit of Company's annual accounts	<u>119,690</u>	<u>86,200</u>

**7. Employees**

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	65,998,621	65,392,271
Social security costs	8,644,056	7,908,286
Cost of defined contribution pension scheme	4,397,896	4,125,745
	<u>79,040,573</u>	<u>77,426,302</u>

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

	2022 No.	2021 No.
Management	41	39
Administration	100	94
Sales, education and support	535	522
	<u>676</u>	<u>655</u>

During 2022, £10,280,806 (2021: £8,251,301) of research and development staff costs (included above), were recharged on a cost plus basis to the ultimate parent company SAS Institute Inc. (note 4).

**8. Director's remuneration**

The Director of the Company is also a Director or officer of other subsidiaries within the SAS Institute Inc. Group. The Director's service to the Company did not occupy a significant amount of his time. As such the Director did not receive any remuneration for his incidental services to the Company during the current or preceding year.

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**SAS SOFTWARE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**9. Interest receivable and similar income**

	2022 £	2021 £
Bank interest receivable	<u>55,027</u>	<u>3,759</u>

**10. Tax on profit**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	1,026,382	861,285
Adjustments in respect of previous periods	(88,911)	(42,642)
<b>Total current tax</b>	<u>937,471</u>	<u>818,643</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	120,296	236,237
<b>Total deferred tax</b>	<u>120,296</u>	<u>236,237</u>
<b>Taxation on profit on ordinary activities</b>	<u>1,057,767</u>	<u>1,054,880</u>

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**SAS SOFTWARE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**10. Tax on profit (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021: *higher than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>4,940,089</u>	<u>4,191,929</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	938,617	796,467
<b>Effects of:</b>		
Expenses not deductible for tax purposes	10,511	1,710
Fixed asset timing differences	168,720	161,288
Adjustments to tax charge in respect of prior periods	(88,911)	(42,642)
Other short term timing differences	28,830	138,057
<b>Total tax charge for the year</b>	<u>1,057,767</u>	<u>1,054,880</u>

**Factors that may affect future tax charges**

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

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

SAS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Equipment and furniture £	Technical equipment £	Total £
<b>Cost</b>							
At 1 January 2022	32,305,269	3,102,351	70,315	6,466,061	2,412,771	3,583,192	47,939,959
Additions	-	74,422	-	-	5,873	546,634	626,929
Disposals	-	(599,623)	-	-	-	(220,904)	(820,527)
At 31 December 2022	32,305,269	2,577,150	70,315	6,466,061	2,418,644	3,908,922	47,746,361
<b>Depreciation</b>							
At 1 January 2022	11,150,104	2,748,099	61,575	5,506,611	1,902,719	2,773,054	24,142,162
Charge for the year on owned assets	1,053,755	103,578	8,740	107,626	167,411	566,734	2,007,844
Disposals	-	(580,871)	-	-	-	(220,713)	(801,584)
At 31 December 2022	12,203,859	2,270,806	70,315	5,614,237	2,070,130	3,119,075	25,348,422
<b>Net book value</b>							
At 31 December 2022	20,101,410	306,344	-	851,824	348,514	789,847	22,397,939
At 31 December 2021	21,155,165	354,252	8,740	959,450	510,052	810,138	23,797,797

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**SAS SOFTWARE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**12. Investments**

	Investment in subsidiary £	Unlisted investments £	Total £
<b>Cost</b>			
At 1 January 2022	1	2	3
At 31 December 2022	<u>1</u>	<u>2</u>	<u>3</u>
<b>Net book value</b>			
At 31 December 2022	<u>1</u>	<u>2</u>	<u>3</u>
At 31 December 2021	<u>1</u>	<u>2</u>	<u>3</u>

During 2021, the share capital of Boemska doo Beograd, a limited liability company incorporated under the laws of Republic of Serbia, were transferred to SAS Software Limited.

At the point of share transfer and 31 December 2021, the entity had ceased to trade and was a dormant entity. As at 31 December 2022, Boemska doo Beograd remains dormant and has subsequently been dissolved as of 3 March 2023.

**13. Debtors**

	2022 £	2021 £
Trade debtors	67,952,536	34,959,419
Amounts owed by Group undertakings	5,362,389	1,508,479
Corporation tax	1,182,737	464,955
Prepayments and accrued income	39,563,807	40,305,860
Derivative asset	65,295	-
	<u>114,126,764</u>	<u>77,238,713</u>

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**SAS SOFTWARE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**14. Creditors: amounts falling due within one year**

	2022 £	2021 £
Trade creditors	745,723	1,054,804
Amounts owed to Group undertakings	14,473,609	89,010
Other taxation and social security	15,480,989	12,699,858
Accruals and deferred income	94,315,746	104,227,811
	<u>125,016,067</u>	<u>118,071,483</u>

**15. Creditors: amounts falling due after more than one year**

	2022 £	2021 £
Deferred income	<u>22,914,680</u>	<u>10,702,751</u>

**16. Financial instruments**

	2022 £	2021 £
<b>Financial assets</b>		
Financial assets that are cash and cash equivalents	24,452,365	36,781,427
Financial assets that are debt instruments measured at amortised cost	73,314,925	36,467,898
Financial assets (net) - Derivative financial assets designated in an effective hedging relationship (see below)	65,295	-
	<u>97,832,585</u>	<u>73,249,325</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(30,001,744)</u>	<u>(18,534,514)</u>

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**SAS SOFTWARE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**16. Financial instruments (continued)**

	2022 £	2021 £
<b>Fair value gains/(losses) on Derivative</b>		
On financial assets measured at fair value through profit or loss	<u>65,295</u>	<u>-</u>

As of 31 December 2022, the Company entered into 3 (2021: nil) foreign exchange ("FX") future contracts with JPMorgan Chase & Co ("JPMC") for the amounts of \$5.9m (£4.8m), \$1.3m (£1.1m) and \$4m (£3.4m) with maturity dates 17 January 2023, 18 January 2023 and 30 January 2023 respectively.

To capture the potential gain/loss arising from movements between the spot rate and the agreed upon forward rate, the Company ran a Mark to Market report assessing the spot rate as at the reporting date versus the forward rate and accrued for the associating gain deemed on the difference between the two rates as at the reporting date.

The fair value of the derivative asset/liability gain at the reporting date was £65,295 (2021: £nil). The cash flows arising from the FX forward contract will occur upon their maturity in January 2023 where the Company will pay across per the spot rate at maturity with JPMC paying across the figure upon the agreed forward rate.

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**SAS SOFTWARE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**17. Deferred taxation**

	2022 £	2021 £
At 1 January	(1,246,290)	(1,010,053)
Charged to profit or loss	(120,296)	(236,237)
<b>At 31 December</b>	<b>(1,366,586)</b>	<b>(1,246,290)</b>

The deferred tax assessed for the year is at the standard rate of deferred tax in the UK of 25% (2021: 25%).

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(1,366,586)	(1,246,290)

**18. Called up share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1,000 (2021: 1,000) Ordinary shares of £1 each	1,000	1,000

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

**19. Capital and reserves****Called up share capital**

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

**Profit and loss account**

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

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**SAS SOFTWARE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**20. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from the Company in an independently administered fund. The pension costs charged to the Statement of comprehensive income of £4,397,896 (2021: £4,125,745) represent contributions payable by the Company to the fund during the year. There were no outstanding contributions payable to the scheme at the end of the reporting date (2021: £Nil).

**21. Commitments under operating leases**

At 31 December the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	774,878	1,265,294
Later than 1 year and not later than 5 years	7,150	780,093
	<u>782,028</u>	<u>2,045,387</u>

Over 99% of the committed operating leases above relate to leased office spaces. The remainder relates to leased office equipment.

**22. Related party transactions**

The Company has taken advantage of the exemption conferred by FRS 102 Section 33 "Related Party Disclosures" not to disclose transactions with members of the SAS Institute Inc. Group on the grounds that 100% of the voting rights in the Company are controlled within that Group and the Company is included in the consolidated financial statements.

**23. Ultimate parent undertaking and controlling party**

The Director regards SAS Institute A/S, incorporated in Denmark, as the immediate parent undertaking and the smallest Group which prepares consolidated financial statements that include the Company. The registered office address of SAS Institute A/S is Købmagergade 7-9, DK-1150 København, Denmark.

The Director regards SAS Institute Inc., incorporated in North Carolina, United States of America, as the ultimate parent undertaking and the largest Group which prepares consolidated financial statements that include the Company. Copies of consolidated financial statements of SAS Institute Inc. are kept at: SAS Institute Inc., 100 SAS Campus Drive, Cary, NC 27513-2414, United States of America.

In the Director's opinion, the Company's controlling party is J H Goodnight, who owns or controls, directly or indirectly, 61.5% of shares in SAS Institute Inc.

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**SAS SOFTWARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**24. Analysis of net funds**

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	36,781,427	(12,329,062)	24,452,365