
ASTEA (UK) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

ASTEAL (UK) LIMITED
REGISTERED NUMBER: 02715377

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	-	5,953
		-	5,953
Current assets			
Tangible assets	5	8,284	-
Debtors: amounts falling due within one year	6	778,830	638,192
Cash at bank and in hand	7	286,165	143,304
		1,073,279	781,496
Creditors: amounts falling due within one year	8	(10,025,313)	(8,901,084)
Net current liabilities		(8,952,034)	(8,119,588)
Total assets less current liabilities		(8,952,034)	(8,113,635)
Net liabilities		(8,952,034)	(8,113,635)
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account		(8,952,036)	(8,113,637)
		(8,952,034)	(8,113,635)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2020.

P Cestra
Director

The notes on pages 2 to 9 form part of these financial statements.

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

1. General information

Astea (UK) Limited is a private company limited by shares and incorporated in England and Wales. Registered number 02715377. Its registered office address is located at North Suite Ground Floor, The Place, Bridge Avenue, Maidenhead, Berkshire, SL6 1AF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

After year end, the company's trade was transferred to Industrial and Financial Systems, IFS UK Ltd, after they acquired 100% of the share capital of Astea (UK) Limited. Astea (UK) Limited then ceased to trade and will be put into liquidation.

As a result, the entity Astea (UK) Limited is no longer considered to be a going concern. As required by UK accounting standards, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply going concern basis.

2.3 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

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

2. Accounting policies (continued)

2.4 Revenue

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

Rendering of services

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

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

License sales are recognised on acceptance of delivery of the software. Software support and hosting services are invoiced annually and taken as revenue ratably over the period covered.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.10 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.

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

Depreciation is provided on the following basis:

Long-term leasehold property	- straight line over the term of the lease
Fixtures and fittings	- written off over 3 to 5 years
Office equipment	- 33% straight line
Computer 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 in the Statement of income and retained earnings.

2.11 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.

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

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 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.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 the Statement of income and retained earnings.

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 of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of

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

2. Accounting policies (continued)

2.14 Financial instruments (continued)

derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

Preparation of the financial statements requires management to make significant judgements and estimates. Judgements and estimates are continually reassessed and are based on historical experience as well as other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual amount of values may vary in certain instances from assumptions and estimates made. Changes will be recorded, with corresponding effect in the Statement of Comprehensive Income, when and if, better information is obtained.

Critical judgements that management has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relate to the following:

Provisions for bad and doubtful debts

Provisions are made for significantly overdue items on the debtors ledger with specific provision for debtors in financial difficulty.

4. Employees

The average monthly number of employees, including directors, during the year was 20 (2018 - 16).

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

5. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2019	44,674	21,405	6,789	49,012	121,880
Additions	-	-	-	7,256	7,256
At 31 December 2019	44,674	21,405	6,789	56,268	129,136
Depreciation					
At 1 January 2019	44,674	21,178	6,789	43,286	115,927
Charge for the year on owned assets	-	227	-	4,698	4,925
At 31 December 2019	44,674	21,405	6,789	47,984	120,852
Net book value					
At 31 December 2019	-	-	-	8,284	8,284
At 31 December 2018	-	227	-	5,726	5,953

ASTEA (UK) LIMITED

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

6. Debtors

	2019 £	2018 £
Trade debtors	478,840	523,585
Other debtors	219,988	32,557
Prepayments and accrued income	80,002	82,050
	<u>778,830</u>	<u>638,192</u>

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	286,166	143,304
	<u>286,166</u>	<u>143,304</u>

The cash and cash equivalents includes a restricted balance of £43,920 (2018: £43,920).

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	79,715	59,835
Amounts owed to group undertakings	8,004,034	7,655,485
Other taxation and social security	285,279	51,150
Other creditors	5,317	-
Accruals and deferred income	1,650,968	1,134,614
	<u>10,025,313</u>	<u>8,901,084</u>

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2 (2018 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

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

10. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in a independently administered fund. The pension charge for the year £64,080 (2018: £54,588) and accrued pension costs at the year end amounted to £7,213 (2018: £7,760).

11. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with members of the group headed by IGT Holding III AB, on the grounds that at least 100% of voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

12. Controlling party

The company is a subsidiary of Astea Services & Distribution Systems BV, incorporated in the Netherlands. This is the smallest group in which the company's results are consolidated. The financial statements of Astea Service & Distribution Systems BV are available from Karner van Koophandel, Utrecht, Kroonstraat 50, 3511 RC Utrecht, The Netherlands (registration number 98543).

The ultimate parent company was Astea International Inc. up until 11 December 2019 when the IFS Americas, Inc. acquired 100% of the share capital of Astea International Inc. The parent company of IFS is IGT Holding III AB. IGT Holding III AB is a Swedish registered company headquartered in Stockholm, Sweden. The visiting address of the head office is Teknikringen 5, Linköping, Sweden; its postal address is Box 1545, SE-581 15 Linköping, Sweden. IGT Holding III AB is owned at 100% by IGT Holding II AB, corporate identity number 559037-7866.

13. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 22 December 2020 by Daniel Reid (FCA) (Senior statutory auditor) on behalf of Donald Reid Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.