

Registered number: 07446276

ANCILE SOLUTIONS LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



ANCILE SOLUTIONS LTD

COMPANY INFORMATION

Directors	E Grosogeat R Edwards (appointed 14 August 2019, resigned 6 January 2020) S Palmer (appointed 14 August 2019)
Company secretary	Vistra Company Secretaries Limited
Registered number	07446276
Registered office	Suite 1 3rd Floor 11-12 St. James's Square London United Kingdom SW1Y 4LB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS

ANCILE SOLUTIONS LTD

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ANCILE SOLUTIONS LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Principal activity

The Company's principal activity is that of providing learning and performance software solutions.

During the financial period the Company traded in Australia and Singapore through branch operations, in addition to its UK based operations.

Results and dividends

The profit for the year, after taxation, amounted to £14,291 (2018 - £79,564).

Directors

The directors who served during the year were:

E Grosgeat
R Edwards (appointed 14 August 2019, resigned 6 January 2020)
S Palmer (appointed 14 August 2019)

ANCILE SOLUTIONS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Disclosure of information to auditor

The directors confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have 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.

Post balance sheet events

Management have considered the impact of the COVID-19 outbreak, which was characterised as a pandemic by the World Health Organisation on 11 March 2020, upon these financial statements. The Company and wider Group has a robust risk management policy in place, including business continuity management. Management's priority is the safety of its employees. The COVID-19 pandemic is considered to be a non-adjusting post balance sheet event and given nature of the company's business has had a limited impact on activities.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Eric Grosogeat

E Grosogeat
Director

Date: 8/4/2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCILE SOLUTIONS LTD

Opinion

We have audited the financial statements of ANCILE Solutions Ltd (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as COVID-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the company is reliant on ongoing financial support from its parent undertaking and the wider group is in the process of securing new funding for debt that comes due within the next 12 months. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCILE SOLUTIONS LTD (CONTINUED)

the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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 Directors' Report.

Matters on which we are required to report by exception

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCILE SOLUTIONS LTD (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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.



Steven Cenci FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date: 9/4/2021

ANCILE SOLUTIONS LTD

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Turnover	836,805	910,136
Cost of sales	(174,594)	(301,545)
Gross profit	662,211	608,591
Administrative expenses	(638,546)	(515,071)
Operating profit	23,665	93,520
Interest receivable and similar income	1,058	1,329
Profit before tax	24,723	94,849
Tax on profit	(10,432)	(15,285)
Profit after tax	14,291	79,564
Retained earnings at the beginning of the year	985,422	905,858
Profit for the year	14,291	79,564
Retained earnings at the end of the year	999,713	985,422

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of income and retained earnings.

The notes on pages 8 to 14 form part of these financial statements.

ANCILE SOLUTIONS LTD
REGISTERED NUMBER:07446276

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	5	1,072,837	745,696
Cash at bank and in hand	6	39,373	363,180
		<u>1,112,210</u>	<u>1,108,876</u>
Creditors: amounts falling due within one year	7	(112,397)	(123,354)
Net current assets		<u>999,813</u>	<u>985,522</u>
Total assets less current liabilities		<u>999,813</u>	<u>985,522</u>
Net assets		<u>999,813</u>	<u>985,522</u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account		999,713	985,422
		<u>999,813</u>	<u>985,522</u>

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 were approved and authorised for issue by the board and were signed on its behalf by:

Eric Grosogeat

E Grosogeat
 Director

Date: 8/4/2021

The notes on pages 8 to 14 form part of these financial statements.

ANCILE SOLUTIONS LTD

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

1. General information

ANCILE Solutions Limited (the Company") is a private company limited by shares and registered in England and Wales. Registered number 07446276. Its registered head office is located at Suite 1, 3rd Floor 11-12 St. James's Square, London, United Kingdom, SW1Y 4LB.

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

The directors have discussed the future direction of the Company with the directors of the Company's ultimate parent, ANCILE Solutions Inc., and concluded that there is no intention to discontinue the operations of the Company for the foreseeable future. The uncertainty as to the impact of the recent COVID-19 outbreaks on the Company has also been considered as part of the adoption of the going concern basis.

Given the Company's operations it is reliant upon ANCILE Solutions Inc for ongoing support and has received a letter of support to confirm this covering a period of at least 12 months from date of approval of the financial statements. ANCILE Solutions Inc is however in the process of securing new funding for debt that comes due within the next 12 months. The Company's directors have a reasonable expectation that funding will be secured in advance of the debt coming due. If the Company were unable to secure new funding, it could create financial uncertainty in providing the required group support and a material uncertainty in respect of the going concern basis of the company.

On the basis of their assessment of the Company's financial position and the enquiries made of the directors of ANCILE Solutions Inc., the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements, and therefore continues to prepare the financial statements on the going concern basis

2.3 Turnover

The Company provides services within specific contracted regions on behalf of its ultimate parent, ANCILE Solutions Inc.. The Company is remunerated by its parent for these services. The total turnover of the Company for the period has been derived from its principal activity undertaken in the UK, Europe and Asia.

Intercompany revenue is based on a cost plus services agreement with its parent and is recognised at cost plus 12.5% from the UK, and 10% for the Australia and Singapore branches.

External revenue is recognised when the relevant services are provided to third parties.

All revenue is recognised net of VAT and other taxes.

ANCILE SOLUTIONS LTD

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

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.7 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.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

ANCILE SOLUTIONS LTD

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

2. Accounting policies (continued)

2.9 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 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.

2.10 Interest income

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

2.11 Taxation

Tax is recognised in profit or loss 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 reporting date in the countries where the Company operates and generates income.

Deferred tax 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

3. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £15,650 (2018 - £12,300). Fee for non-audit services totalled £12,675 (2018- £6,650)

ANCILE SOLUTIONS LTD

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

4. Employees

The average monthly number of employees, including directors, during the year was 5 (2018: 6).

The directors are also directors or officers of other companies within the Ancile Solutions NC. group. The directors' services to the Company do not occupy a significant amount of their time. As such these directors do not consider that they receive any remuneration for their incidental services to the Company for the year ended 31 December 2019 and 31 December 2018.

ANCILE SOLUTIONS LTD

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

5. Debtors

	2019 £	2018 £
Trade debtors	11,119	18,840
Amounts owed by group undertakings	1,048,011	712,870
Other debtors	4,566	9,668
Prepayments and accrued income	9,141	4,318
	<u>1,072,837</u>	<u>745,696</u>

6. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>39,373</u>	<u>363,180</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	20,113	2,321
Amounts owed to group undertakings	-	230
Corporation tax	-	18,513
Other taxation and social security	4,412	5,955
Accruals and deferred income	87,872	96,335
	<u>112,397</u>	<u>123,354</u>

8. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100 (2018 - 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

ANCILE SOLUTIONS LTD

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

9. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £28,404 (2018: £33,187). Contributions totalling £2,237 (2018: £1,380) were payable to the fund at the reporting date and are included in creditors.

10. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2019 £	2018 £
Not later than 1 year	<u>5,679</u>	<u>5,679</u>

11. Related party transactions

During the year, the Company made sales of £753,000 (2018: £776,000) and purchases of £6,000 (2018: £2,000) to and from ANCILE Solutions, Inc., which is the parent of the Company.

The sales related to the recharge of costs under the transfer pricing agreement between the two companies.

The balance outstanding owed by ANCILE Solutions inc at the year end was £1,048,000 (2018: £713,000).

During the year, the Company made sales of £1,000 (2018: £Nil) and purchases of £9,000 (2018: £17,000) from ANCILE Solutions, GmbH, a company that is also a wholly owned subsidiary of ANCILE Solutions, Inc.

This related to the recharge of costs and transfers of intercompany consultant revenue.

The balance outstanding owed to Ancile Solutions GmbH at the year end was £Nil (2018: £Nil).

ANCILE SOLUTIONS LTD

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

12. Controlling party

The ultimate parent and controlling party is ANCILE Solutions Inc., a company incorporated in United States of America, by virtue of its 100% shareholding to the Company.

ANCILE Solutions Inc., is the largest and smallest group from which group accounts can be obtained from ANCILE Solutions, Inc., 6085 Marshalee Drive, Elkridge, MD 21075.