

Abundance Investment Ltd

Annual Report and Financial Statements
for the Year Ended 31 December 2019

DSK Partners LLP
Chartered Accountants & Statutory Auditor
DS House
306 High Street
Croydon
Surrey
CR0 1NG

Abundance Investment Ltd

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Abundance Investment Ltd

Company Information

Directors Mr B M Davis
Mr K Harder
Mr W R Jones
Mr M D Taylor
Ms C L Wilson

Company secretary Ms L Trinder

Registered office 16 Linen House
253 Kilburn Lane
London
W10 4BQ

Auditors DSK Partners LLP
Chartered Accountants & Statutory Auditor
DS House
306 High Street
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Abundance Investment Ltd

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Fair review of the business

The company's principal activity is to structure and administer investments in socially responsible companies and infrastructure projects and to distribute these investments to retail investors via its online platform. By doing this the company aims to mobilise capital to build a more sustainable and socially just society, while providing investors with the opportunity to earn a decent return.

The business is a certified BCorp which means it has a legal responsibility imbedded in its company articles to consider the interests of its decisions not simply on its shareholders, but also its staff and customers as well as the environment and society.

Results and Performance

The company reported revenue for the year of £1.84m (2018: £2.11m) and total losses of £0.97m (2018: £0.53m). The total equity for the company equals £0.78m (2018: £1.75m).

Income fell in 2019, which was primarily due to market uncertainty linked to Brexit. This uncertainty acted as a drag on decision making within the firm's deal pipeline. During the period the business continued to invest for growth specifically building brand awareness and recruiting investing clients. The business will continue to invest ahead of income and therefore expects to incur losses over the coming years. The firm is planning less investment in 2020 in order to control overall losses, however the firm may continue to make targeted investments to ensure it continues to build a long-term competitive advantage within the market.

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

	Unit	2019	2018
Revenue	(£m)	1.84	2.11
Net Profit	(£m)	(.97)	(.53)

Other monitored Key Performance Indicators include:

- Total debenture issuance
- Number of investing clients
- Marketing cost per £ invested

Performance is assessed against these metrics on a regular basis and budgets and plans are adjusted as required.

Future Developments

The company intends to continue to make prudent investments in growing the business in order to provide its retail investors with a wider range of socially responsible companies and infrastructure projects for investment, while at the same time continuing to grow brand awareness and customer numbers. The company intends to fund this growth through own means and by raising further equity when needed.

The company is also looking to expand its product offering in 2020 by launching Community Municipal Investments. This product will enable residents to invest in their council and support the delivery of its strategic goals such as reaching net zero carbon emissions in line with or ahead of the UK Government's legislated target of 2050.

Abundance Investment Ltd

Strategic Report for the Year Ended 31 December 2019 (continued)

Principal risks and uncertainties

The principal risks and uncertainties faced by the company include: regulatory risk; performance of the successfully funded companies and general market uncertainty; the continued recruitment of suitable companies to the platform looking for investment and investing clients to provide the investment funds.

The unfolding Covid-19 crisis has increased risk and is making financial planning difficult. The firm is taking a conservative approach to managing this risk by reducing all discretionary spend and overheads where possible.

Risk management is carried out through a comprehensive set of policies and procedures as well as other internal controls. The directors and senior management regularly meet and review business risk.

Financial Risk Management

The company's credit risk is low as the majority of funds due to the company are collected at source on completion of successful deals. Where credit risk does arise, the company has active credit control procedures in place.

With regard to liquidity risk the company actively manages cash and prepares a rolling cash flow forecast covering the next 36 months, which is updated on a monthly basis. The company maintains an appropriate level of cash to settle financial obligations as they arise and to meet planned activities. The business is also underpinned by a growing base of long term contracted revenues, which provides increasing certainty over future income.

Approved by the Board on 22 June 2020 and signed on its behalf by:

.....
Mr K Harder
Director

Abundance Investment 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 of the company

The directors who held office during the year were as follows:

Mr B M Davis

Mr K Harder

Mr W R Jones

Mr M D Taylor

Ms C L Wilson

Principal activity

The principal activity of the company is to structure and administer investments in socially responsible companies and infrastructure projects and to distribute these investments to retail investors via its online platform

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 22 June 2020 and signed on its behalf by:

.....
Mr K Harder
Director

Abundance Investment Ltd

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Abundance Investment Ltd

Independent Auditor's Report to the Members of Abundance Investment Ltd

Opinion

We have audited the financial statements of Abundance Investment Ltd (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, 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 FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

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 loss 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Abundance Investment Ltd

Independent Auditor's Report to the Members of Abundance Investment Ltd (continued)

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.

Opinion on other matter 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.

Matters on which we are required to report by exception

In the light of our 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.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], 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.

Abundance Investment Ltd

Independent Auditor's Report to the Members of Abundance Investment Ltd (continued)

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.

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Dhirajlal Shah (Senior Statutory Auditor)

For and on behalf of DSK Partners LLP, Statutory Auditor

DS House

306 High Street

Croydon

Surrey

CR0 1NG

22 June 2020

Abundance Investment Ltd

Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover		1,838,401	2,126,969
Administrative expenses		(2,954,533)	(2,779,052)
Other operating income		<u>113,148</u>	<u>117,347</u>
Operating loss		<u>(1,002,984)</u>	<u>(534,736)</u>
Other interest receivable and similar income		<u>37,088</u>	<u>-</u>
		<u>37,088</u>	<u>-</u>
Loss before tax	<u>5</u>	<u>(965,896)</u>	<u>(534,736)</u>
Loss for the financial year		(965,896)	(534,736)
Retained earnings brought forward		<u>(5,641,352)</u>	<u>(5,106,716)</u>
Retained earnings carried forward		<u><u>(6,607,248)</u></u>	<u><u>(5,641,452)</u></u>

The notes on pages 11 to 15 form an integral part of these financial statements.

Abundance Investment Ltd

(Registration number: 07049166)
Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>7</u>	47,185	5,226
Current assets			
Debtors	<u>8</u>	973,256	1,802,737
Cash at bank and in hand		219,169	502,927
		<u>1,192,425</u>	<u>2,305,664</u>
Creditors: Amounts falling due within one year	<u>9</u>	<u>(455,283)</u>	<u>(560,767)</u>
Net current assets		<u>737,142</u>	<u>1,744,897</u>
Net assets		<u>784,327</u>	<u>1,750,123</u>
Capital and reserves			
Called up share capital	<u>10</u>	908	908
Share premium reserve		7,390,667	7,390,667
Profit and loss account		<u>(6,607,248)</u>	<u>(5,641,452)</u>
Total equity		<u>784,327</u>	<u>1,750,123</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 22 June 2020 and signed on its behalf by:

.....

Mr K Harder
Director

The notes on pages 11 to 15 form an integral part of these financial statements.

Abundance Investment Ltd

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

16 Linen House
253 Kilburn Lane
London
W10 4BQ
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Abundance Investment Ltd

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Asset class	Depreciation method and rate
Equipment	Reducing Balance at 25%
Leasehold improvements	Reducing Balance at 20%

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Development Costs	Straight Line over 3 Years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 19 (2018 - 15).

Abundance Investment Ltd

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

4 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>3,000</u>	<u>3,000</u>

5 Loss before tax

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	<u>13,147</u>	<u>1,834</u>

6 Intangible assets

	Internally generated software development costs £	Total £
Cost or valuation		
At 1 January 2019	<u>121,703</u>	<u>121,703</u>
At 31 December 2019	<u>121,703</u>	<u>121,703</u>
Amortisation		
At 1 January 2019	<u>121,703</u>	<u>121,703</u>
At 31 December 2019	<u>121,703</u>	<u>121,703</u>
Carrying amount		
At 31 December 2019	<u>-</u>	<u>-</u>

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2018 - £Nil).

Abundance Investment Ltd

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

7 Tangible assets

	Long leasehold land and buildings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2019	-	14,778	14,778
Additions	38,718	16,390	55,108
At 31 December 2019	38,718	31,168	69,886
Depreciation			
At 1 January 2019	-	9,553	9,553
Charge for the year	7,744	5,404	13,148
At 31 December 2019	7,744	14,957	22,701
Carrying amount			
At 31 December 2019	30,974	16,211	47,185
At 31 December 2018	-	5,226	5,226

Included within the net book value of land and buildings above is £30,974 (2018 - £Nil) in respect of long leasehold land and buildings.

8 Debtors

	2019 £	2018 £
Trade debtors	875,292	294,901
Other debtors	97,964	1,507,836
	<u>973,256</u>	<u>1,802,737</u>

Abundance Investment Ltd

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

9 Creditors

Creditors: amounts falling due within one year

	2019 £	2018 £
Due within one year		
Trade creditors	219,586	288,334
Taxation and social security	106,370	35,677
Other creditors	129,327	236,756
	<u>455,283</u>	<u>560,767</u>

10 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary of £0.00 each	9,076,489	907.65	9,076,489	907.65
	<u>9,076,489</u>	<u>907.65</u>	<u>9,076,489</u>	<u>907.65</u>

11 Related party transactions

At the balance sheet date the Directors owed the company £4,059 (2017: £4,059).

Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	<u>292,917</u>	<u>286,250</u>

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.