

**ABACUS INFORMATION TECHNOLOGY UK LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**ABACUS INFORMATION TECHNOLOGY UK LIMITED**

**COMPANY INFORMATION**

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<b>Director</b>	C E Grandi
<b>Registered number</b>	08824522
<b>Registered office</b>	Office Number 4.01 Thomas House 84 Eccleston Square London United Kingdom SW1V 1PX
<b>Independent auditors</b>	F&L Corporate Reporting Services Limited

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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

			<b>2019</b>	<i>As restated</i>
	<b>Note</b>		<b>£</b>	<b>2018</b>
				<b>£</b>
<b>Fixed assets</b>				
Tangible assets	4		<b>398,037</b>	<b>545,108</b>
			<hr/>	<hr/>
			<b>398,037</b>	<b>545,108</b>
<b>Current assets</b>				
Debtors: amounts falling due after more than one year	5	<b>17,565</b>	<b>17,565</b>	
Debtors: amounts falling due within one year	5	<b>108,417</b>	<b>126,662</b>	
Cash at bank and in hand	6	<b>173,470</b>	<b>118,269</b>	
		<hr/>	<hr/>	
		<b>299,452</b>	<b>262,496</b>	
Creditors: amounts falling due within one year	7	<b>(2,909,484)</b>	<b>(2,417,232)</b>	
		<hr/>	<hr/>	
<b>Net current liabilities</b>			<b>(2,610,032)</b>	<b>(2,154,736)</b>
			<hr/>	<hr/>
<b>Total assets less current liabilities</b>			<b>(2,211,995)</b>	<b>(1,609,628)</b>
			<hr/>	<hr/>
<b>Net liabilities</b>			<b>(2,211,995)</b>	<b>(1,609,628)</b>
			<hr/>	<hr/>

BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2019

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	2019 £	2018 £
<b>Capital and reserves</b>		
Called up share capital	1	1
Profit and loss account	(2,211,996)	(1,609,629)
	<u>(2,211,995)</u>	<u>(1,609,628)</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 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 comprehensive income 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 by:

**C E Grandi**  
**Director**

Date: 29 June 2020

The notes on pages 3 to 8 form part of these financial statements.

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

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**1. Accounting policies**

**1.1 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:

**1.2 Going concern**

Abacus Information Technology, LLC, the parent company, has indicated its continued financial support to the Company. The parent company itself is reliant upon external sources of finance in the form of a long term loan and line of credit and must comply with a number of financial covenants else risk the recall of these sources of finance.

Should the loan or line of credit be recalled, the parent may no longer be in a position to support the Company and therefore the entity may no longer have the finances available to support working capital requirements. The director has considered the extent of the COVID-19 pandemic and the direct impact it will have on the Company will depend on future developments that are highly uncertain and cannot be accurately predicted.

**1.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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1. Accounting policies (continued)

1.3 Turnover (continued)

**Rendering of services**

Turnover 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 turnover 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.

1.4 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.

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.

The estimated useful lives range as follows:

Office equipment	- 3 years
Computer equipment	- 3 years

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 Comprehensive Income.

1.5 Leased assets: the company as lessee

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

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

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1. Accounting policies (continued)

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

1.8 Creditors

Short term creditors are measured at the transaction price. Loans payable are intercompany loans. No interest is charged on the loans, which are repayable on demand.

1.9 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 year 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.

1.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

1.11 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 Comprehensive Income 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. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified, though the auditor drew attention to note 1.2 to these financial statements which indicates the existence of material uncertainty which may cause significant doubt about the Company's ability to continue as a going concern.

The audit report was signed on 2 November 2020 by Louise Morriss BFP ACA FCCA (Senior Statutory Auditor) on behalf of F&L Corporate Reporting Services Limited.



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

3. Employees

The average monthly number of employees during the year was 10 (2018 - 8).

4. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2019	124,803	756,118	880,921
Additions	133,731	18,056	151,787
	<hr/>	<hr/>	<hr/>
At 31 December 2019	258,534	774,174	1,032,708
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 January 2019	30,815	304,998	335,813
Charge for the year on owned assets	69,055	206,588	275,643
Charge for the year on financed assets	-	23,215	23,215
	<hr/>	<hr/>	<hr/>
At 31 December 2019	99,870	534,801	634,671
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2019	<u>158,664</u>	<u>239,373</u>	<u>398,037</u>
<b>At 31 December 2018</b>	<u>93,988</u>	<u>451,120</u>	<u>545,108</u>

Finance leases

Computer equipment with a carrying value of £Nil (2018: £23,215) are held under finance leases.

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

5. Debtors

	2019 £	As reclassified 2018 £
<b>Due after more than one year</b>		
Other debtors	17,565	17,565
	<u>17,565</u>	<u>17,565</u>
<b>Due within one year</b>		
Trade debtors	84,741	99,483
Other debtors	19,619	18,404
Prepayments and accrued income	4,057	8,775
	<u>108,417</u>	<u>126,662</u>

An amount of £55,372 has been reclassified from other debtors to cash in the comparatives to reflect the liquidity of the balance.

6. Cash and cash equivalents

	2019 £	As reclassified 2018 £
Bank and cash balances	114,677	62,897
Cash held on deposit	58,793	55,372
	<u>173,470</u>	<u>118,269</u>

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

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	25,908	26,243
Amounts owed to group undertakings	2,749,461	2,278,296
Other taxation and social security	108,551	75,907
Obligations under finance lease and hire purchase contracts	-	20,739
Accruals and deferred income	25,564	16,047
	<u>2,909,484</u>	<u>2,417,232</u>

8. Prior year adjustment

A prior year adjustment has been made to reallocate a security deposit from prepayments to debtors due within more than one year.

The effect of this adjustment has been to increase debtors due within more than one year by £17,565 and decrease prepayments included within debtors falling due within one year.

The above adjustment has not impacted the brought forward profit and loss reserve.

9. Financial commitments

At the end of the reporting year, the total amount of all financial commitments, guarantees and contingencies that are not included in the balance sheet was £23,784 (2018: £22,650). This amount is payable within one year.

10. Parent company

Abacus Information Technology, LLC is the parent of the smallest group for which consolidated financial statements are drawn up of which the Company is a member. The registered office of the parent company is 655 Third Avenue, Suite 816, New York, NY 10017, USA.

11. Post balance sheet events

There were no adjusting or non-adjusting events occurring between the end of the reporting period and the date these financial statements were approved.



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