

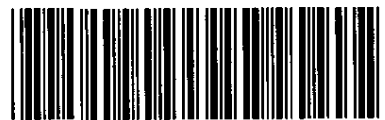
**Smartmatic Elections UK Limited (formerly Abacus
Partners Limited)**

Director's report and financial statements

Registered number 08704199

31 December 2016

WEDNESDAY



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Directors' report

The directors present their directors' report and financial statements of Smartmatic Elections UK Limited (formerly Abacus Partners Limited) (the 'Company') for the year ended 31 December 2016.

The directors have taken advantage of the exemption available from preparing a Strategic report as the Company qualifies as a small company and is part of a larger group producing consolidated financial statements.

Principal activity

The principal activity of the Company is that of a holding company which provides corporate governance to all its subsidiaries (together the "Group"). The Group operate and provide technological services and solutions outside electoral solutions which are provided by other entities within the wider Smartmatic Group.

Business Review

The results for the year show a profit before tax of US\$2,317 (2015: loss of US\$7,472) and at the reporting date the Company has net liabilities of US\$19,728 (2015: US\$22,045).

Dividends

The directors do not propose the payment of a dividend (2015: US\$nil).

Political and charitable contributions

The Company did not make any political donations during the year

Directors

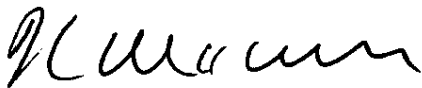
The directors who held office during the year were as follows:

David Charles Melville
Antonio Jose Mugica Rivero

Auditor

The directors have claimed exemption under section 479A of the Companies Act 2006, from the need to have these financial statements audited. A statement of guarantee by a parent undertaking, SGO Corporation Limited (registered number 07477910), has been filed at Companies House

By order of the board



David Melville
Director

25th
105 Piccadilly
London
W1J7NJ
September 2017

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.*

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

- select suitable accounting policies and then apply them consistently;*
- make judgments and 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; and*
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and Loss Account
for the year ended 31 December 2016

	<i>Note</i>	2016 US\$	2015 US\$
Revenue		23,582	-
Cost of sales		(31,471)	-
		<hr/>	<hr/>
Gross Profit		(7,889)	-
Administrative expenses		(16,986)	(7,865)
		<hr/>	<hr/>
Operating loss		(24,875)	(7,865)
Finance income		32,387	393
Finance expenses		(5,195)	-
		<hr/>	<hr/>
Profit/ (loss) before taxation	2	2,317	(7,472)
Tax on profit	4	-	-
		<hr/>	<hr/>
Profit/(loss) after taxation		2,317	(7,472)
		<hr/>	<hr/>

The notes on pages 7 to 11 form part of these financial statements.

Balance Sheet
as at 31 December 2016

	<i>Note</i>	US\$	2016 US\$	US\$	2015 US\$
Non-current assets					
Investments in subsidiaries	5		5		3
Current assets					
Debtors	6	49,321		605	
		<u>49,321</u>		<u>605</u>	
Creditors:					
Amounts falling due within one year	7	(69,054)		(22,653)	
Net current liabilities			(19,733)		(22,048)
Net liabilities			<u>(19,728)</u>		<u>(22,045)</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account			(19,730)		(22,047)
Shareholders' deficit			<u>(19,728)</u>		<u>(22,045)</u>

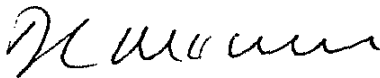
The notes on pages 7 to 11 form part of these financial statements.

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the board of directors on 25th September 2017 and were signed on its behalf by:


David Melville
Director

105 Piccadilly
London
W1J7NJ

Company registration number: 08704199

Statement of Changes in Equity
for year ended 31 December 2016

	Called up Share capital	Profit and loss account	Total equity
	US\$	US\$	US\$
Balance at 1 January 2015	2	(14,575)	(14,573)
Loss for the year	-	(7,472)	(7,472)
Balance at 1 January 2016	2	(22,047)	(22,045)
Profit for the year	-	2,317	2,317
Balance at 31 December 2016	2	(19,730)	(19,728)

The notes on pages 7 to 11 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Smartmatic Elections UK Limited (formerly Abacus Partners Limited) (the 'Company') is a company incorporated, registered and domiciled in England in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS101"). The amendments to FRS101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemption has been taken.

The Company's ultimate parent undertaking, SGO Corporation N.V. includes the Company in its consolidated financial statements. The smallest group into which the accounts of the company are consolidated is SGO Corporation Limited. Copies of these consolidated accounts may obtain from its registered office at 105 Piccadilly, London, W1J 7NJ

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the profit/(loss) for the year of US\$2,317 (2015: (US\$7,472)), net current liabilities of US\$19,733 (2015: US\$22,048) and net liabilities of US\$19,728 (2015: US\$22,045) which the director believes to be appropriate for the following reasons:

The Company is reliant on financial support from SGO Corporation N.V., the Company's ultimate parent undertaking. SGO Corporation N.V. has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support the director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency (US Dollars) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are held at cost less any provision for impairment.

Impairments

The carrying amounts of the Company non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows of the identified cash-generating units are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit and loss account.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Trade and other debtors

Trade and other debtors are stated at their nominal amount less impairment losses.

Trade and other creditors

Trade and other creditors are stated at amortised cost.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax.

The tax currently payable is based on taxable profits for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes (continued)

2 Expenses and auditor's remuneration

Included in the profit and loss account are the following:

	2016 US\$	2015 US\$
Auditor's remuneration – audit of financial statements	-	-
Net foreign exchange loss	1,334	454
	<u> </u>	<u> </u>

3 Staff numbers and costs

The average number of people (including directors) employed by the company during the year was 2. There were no payroll costs in the year and all directors are paid by other companies within the SGO Corporation N.V. None of the fees are attributable to this company. The directors are included in the staff numbers above.

4 Taxation

	2016 US\$	2015 US\$
<i>UK corporation tax</i>		
Current tax on income for the year	<u> </u>	<u> </u>

Factors affecting the tax charge for the current year

The current tax charge for the year is higher than the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below.

	2016 US\$	2015 US\$
<i>Current tax reconciliation</i>		
Profit/(Loss) on ordinary activities before tax	2,317	(7,472)
	<u> </u>	<u> </u>
Current tax at 20% (2015: 20.25%)	463	(1,513)
<i>Effects of:</i>		
Current period losses for which no deferred tax asset is recognised	-	1,513
Previously unrecognised tax losses utilised in the current year	(651)	-
Expenses not deductible for tax purposes	187	-
	<u> </u>	<u> </u>
Total current tax charge (see above)	<u> </u>	<u> </u>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

The Company has unrecognised gross temporary differences of \$nil (2015: \$ 19,509). These have not been recognised as there is insufficient evidence that the assets will be recovered.

5 Investments in subsidiaries

The entity has the following direct investments:

Subsidiary	Registered Address	Class of shares held	Ownership 2016
	105 Picadilly, London, United Kingdom, W1J 7NJ		
Your.ID Limited	105 Picadilly, London, United Kingdom, W1J 7NJ	Ordinary	100%
Air Labs Limited	Gustav Mahlerplein 25C, 1082 MS	Ordinary	100%
Air B.V.*	Amsterdam, The Netherlands	Ordinary	100%

*Air B.V. is wholly owned by Air Labs which in turn is wholly owned by Smartmatic Elections UK Limited.

6 Debtors

	2016 US\$	2015 US\$
Amounts owed by group undertakings	33,849	555
Other debtors	15,472	50
	<u>49,321</u>	<u>605</u>

7 Creditors: amounts falling due within one year

	2016 US\$	2015 US\$
Trade Creditors	-	253
Amounts owed to group undertakings	54,521	19,400
Accruals and deferred income	11,261	3,000
Taxation payable	3,273	-
	<u>69,054</u>	<u>22,653</u>

Amounts owed by fellow group undertakings are non-interest bearing, unsecured and repayable on demand.

\$14,000 of the intercompany balance is payable to SGO Corporation N.V.

\$12,000 of the intercompany balance is payable to SGO Corporation Limited.

8 Called up share capital

	2016 US\$	2015 US\$
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2

Notes (continued)

9 Related party disclosures

As a wholly owned subsidiary within the group controlled by SGO Corporation N.V, the Company is exempt from the requirements of FRS 101 from disclosing the transactions with other members of the group headed by SGO Corporation N.V. There were no transactions any other related parties requiring disclosure in the year.

10 Ultimate parent undertaking

The company is a wholly owned subsidiary of SGO Corporation Limited, a company incorporated in the United Kingdom.

The smallest group into which the accounts of the company are consolidated is SGO Corporation Limited. Copies of these consolidated accounts may obtain from its registered office at 105 Piccadilly, London, W1J 7NJ

The Company's ultimate parent is SGO Corporation N.V.