

100076/20

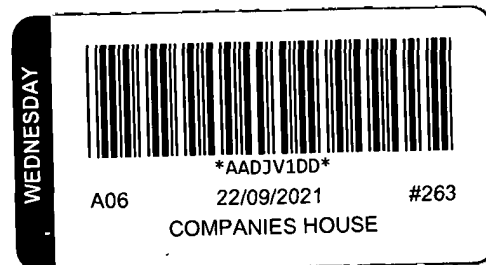
Registered number: FC026751

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

CONTENTS

	Page
Directors' Report	1
Profit and Loss Account	2
Balance Sheet	3 - 4
Notes to the Financial Statements	5 - 11

The following pages do not form part of the statutory financial statements:

Detailed Profit and Loss Account and Summaries	12 - 14
---	----------------

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of the company during the year continued to be the license of financial information services, content and technology to the global capital markets industry.

POST BALANCE SHEET EVENTS

The ongoing global health crisis caused by COVID-19 continues to have a significant impact on all businesses and economies around the globe. The directors have assessed the potential impact of Coronavirus on the Company and its assets with the information available and does not consider that it will lead to any impairment of the carrying amount of reported assets. The directors have also carried out a number of scenario planning exercises and have put plans in place where necessary in order to mitigate any negative effects of a period of interrupted trading the Company may experience, which will enable the Company to continue as a going concern.

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.

Sujata Parekh

**S Parekh
Chief Financial Officer**

Date: 10 September 2021

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Turnover	7,209,461	5,837,536
Cost of sales	(3,086,230)	(3,203,486)
GROSS PROFIT	4,123,231	2,634,050
Administrative expenses	(3,772,750)	(3,687,920)
OPERATING PROFIT/(LOSS)	350,481	(1,053,870)
Interest receivable and similar income	100	181
PROFIT/(LOSS) BEFORE TAX	350,581	(1,053,689)
Tax on profit/(loss)	4 (12,917)	(6,325)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	337,664	(1,060,014)

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 5 to 11 form part of these financial statements.

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)
REGISTERED NUMBER: FC026751

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	5	126,062	64,886
		<u>126,062</u>	<u>64,886</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	6	437,206	548,691
Cash at bank and in hand		163,380	33,745
		<u>600,586</u>	<u>582,436</u>
Creditors: amounts falling due within one year	7	(14,295,332)	(14,608,523)
NET CURRENT LIABILITIES		<u>(13,694,746)</u>	<u>(14,026,087)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(13,568,684)</u>	<u>(13,961,201)</u>
Creditors: amounts falling due after more than one year	8	(57,471)	(15,515)
PROVISIONS FOR LIABILITIES			
Deferred tax	9	(19,616)	(6,718)
		<u>(19,616)</u>	<u>(6,718)</u>
NET LIABILITIES		<u>(13,645,771)</u>	<u>(13,983,434)</u>
CAPITAL AND RESERVES			
Profit and loss account		(13,645,771)	(13,983,434)
		<u>(13,645,771)</u>	<u>(13,983,434)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)
REGISTERED NUMBER: FC026751

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

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

Sujata Parekh

.....
S Parekh
Chief Financial Officer

Date: 10 September 2021

The notes on pages 5 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. GENERAL INFORMATION

Activ Financial Systems (UK Branch - BR008774) is a UK branch of Activ Financial Systems Inc, a company limited by shares, incorporated in USA.

The Registered Office of the company is 120 East Liberty Drive, Suite 200, Wheaton, IL, 60187.

The financial statements are presented in sterling which is the functional currency of the company.

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

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

2.2 GOING CONCERN

The company has the continued ongoing financial support from Activ Financial Systems Inc.

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.

2.4 TURNOVER

Turnover comprises revenue recognised by the Company in respect of the license of financial information services, content and technology to the global capital markets industry during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised as the fair value of the consideration received or receivable and is recognised to when the period relates.

2.5 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.6 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. 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 balance sheet 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 Balance Sheet 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 balance sheet date.

2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.8 TANGIBLE FIXED ASSETS (CONTINUED)

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:

L/Term Leasehold Property	- 7 years straight line
Fixtures & fittings	- 5 years straight line
Office equipment	- 3 years straight line
Computers	- 3 years 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 profit or loss.

2.9 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.

2.10 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.

2.11 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.

2.12 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Average	49	48

4. TAXATION

	2020 £	2019 £
CORPORATION TAX		
Current tax on profits for the year	19	35
TOTAL CURRENT TAX	19	35
DEFERRED TAX		
Origination and reversal of timing differences	12,107	6,290
Changes to tax rates	791	-
TOTAL DEFERRED TAX	12,898	6,290
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	12,917	6,325

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2019 - 19%).

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures & fittings £	Office equipment £	Computers £	Total £
COST OR VALUATION					
At 1 January 2020	150,095	9,149	2,564	263,025	424,833
Additions	-	-	-	105,901	105,901
At 31 December 2020	150,095	9,149	2,564	368,926	530,734
DEPRECIATION					
At 1 January 2020	149,490	4,809	2,564	203,084	359,947
Charge for the year on owned assets	122	1,405	-	43,198	44,725
At 31 December 2020	149,612	6,214	2,564	246,282	404,672
NET BOOK VALUE					
At 31 December 2020	483	2,935	-	122,644	126,062
At 31 December 2019	605	4,340	-	59,941	64,886

6. DEBTORS

	2020 £	2019 £
Trade debtors	434,768	548,691
Other debtors	2,438	-
	437,206	548,691

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	420,371	427,163
Amounts owed to group undertakings	13,538,006	14,013,855
Corporation tax	19	35
Other taxation and social security	240,454	103,597
Other creditors	90,202	58,198
Accruals and deferred income	6,280	5,675
	<u>14,295,332</u>	<u>14,608,523</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Trade creditors	57,471	15,515
	<u>57,471</u>	<u>15,515</u>

9. DEFERRED TAXATION

	2020 £
At beginning of year	(6,718)
Charged to profit or loss	(12,898)
AT END OF YEAR	<u><u>(19,616)</u></u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(19,616)	(6,718)
	<u>(19,616)</u>	<u>(6,718)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	128,645	127,932
Later than 1 year and not later than 5 years	85,237	198,888
	<u>213,882</u>	<u>326,820</u>

11. COVID-19

The ongoing global health crisis caused by COVID-19 continues to have a significant impact on all businesses and economies around the globe. The directors have assessed the potential impact of Coronavirus on the Company and its assets with the information available and does not consider that it will lead to any impairment of the carrying amount of reported assets. The directors have also carried out a number of scenario planning exercises and have put plans in place where necessary in order to mitigate any negative effects of a period of interrupted trading the Company may experience, which will enable the Company to continue as a going concern.

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Turnover	7,209,461	5,837,536
Cost Of Sales	(3,086,230)	(3,203,486)
GROSS PROFIT	4,123,231	2,634,050
LESS: OVERHEADS		
Administration expenses	(3,772,750)	(3,687,920)
OPERATING PROFIT/(LOSS)	350,481	(1,053,870)
Interest receivable	100	181
Tax on profit/(loss) on ordinary activities	(12,917)	(6,325)
PROFIT/(LOSS) FOR THE YEAR	337,664	(1,060,014)

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
TURNOVER		
Fees	2,735,360	2,737,925
Lease revenue	4,474,101	3,099,611
	<u>7,209,461</u>	<u>5,837,536</u>
	2020 £	2019 £
COST OF SALES		
Data and exchange access fees	404,459	337,941
Comms.- Data collection	148,728	154,260
Hosting	486,180	430,299
Comms. - Distribution network	45,600	45,600
Comms. - Installation	2,000	8,808
Comms. - ActivFeed customer	24,098	39,613
Equipment purchases	22,890	206,821
Recharge of US direct costs	1,952,275	1,980,144
	<u>3,086,230</u>	<u>3,203,486</u>

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
ADMINISTRATION EXPENSES		
Staff salaries	2,568,808	2,531,214
Staff national insurance	332,190	333,606
Staff pension costs - defined contribution schemes	48,341	43,420
Staff training	142	271
Commissions payable	58,040	76,564
Hotels, travel and subsistence	2,448	9,863
Printing and stationery	-	108
Postage	22,647	9,696
Telephone and fax	11,441	8,524
Computer costs	31,892	45,019
General office expenses	6,405	8,110
Advertising and promotion	-	18,140
Legal and professional	10,785	5,030
Accountancy fees	10,391	13,495
Bank charges	294	185
Bad debts	529	(1,610)
Sundry expenses	13	19
Rent	252,605	232,996
Rates	13,805	24,793
Insurances	8,453	8,919
Repairs and maintenance	13,239	10,180
Depreciation	44,725	33,013
Recruitment fees	65,840	81,678
Subsistence	6,167	17,730
Consulting and outside services	77,115	1,000
Recharge of admin costs	186,435	175,957
	<u>3,772,750</u>	<u>3,687,920</u>
	2020 £	2019 £
INTEREST RECEIVABLE		
Bank interest receivable	100	181
	<u>100</u>	<u>181</u>