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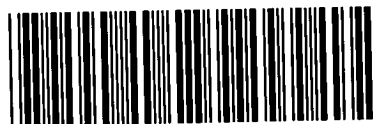
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ABSOFT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2016

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COMPANIES HOUSE

ABSOFI LIMITED



COMPANY INFORMATION

Directors

J R Mechie
D M Reid
D Valentine
E McAdam
K Davidson (appointed 2 May 2016)

Company secretary

D M Reid

Registered number

SC129581

Registered office

B3/B4 Davidson House
Campus 1, Aberdeen Science & Technology Park
Bridge of Don
Aberdeen

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**STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2016**

Introduction

The directors present their report and financial statements for the year ended 30 April 2016.

The company's principal activity is the provision of IT products and services. These activities relate wholly to the implementation and support of SAP products. SAP is the leading global provider of business application IT products.

Business review

The results for the year are set out in the profit and loss account. The profit and loss account shows a loss for the year after exceptional charges of £73,200. However, if the exceptional charges for the year relating to share based payments is excluded the underlying trading results show a profit of £46,157.

The directors are satisfied with the results for the year which show a significant improvement on the prior year. The business has been restructured to focus on our core strengths and markets. Staff costs have been reduced significantly whilst retaining the skills and expertise required for our core markets. Other expenses have been reduced in parallel with staff costs. Challenges remain in the oil and gas market, which has been the primary sector for the Absft business historically, but the group is being increasingly successful in other sectors, and in the market for integrated SAP support services. Our managed services, remote support, and technical and implementation service lines are all growing successfully, as the group makes significant wins in these service lines.

Principal risks and uncertainties

The management of the business and the performance of the company are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to activity levels within the oil and gas sector as well as market competition and employee retention. This risk has largely been mitigated by our diversification strategy and oil and gas is now less than 30% of our business.

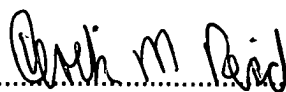
The company has financial resources together with contracts in place with a number of customers across different geographic areas. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing financial statements.

Financial key performance indicators

In monitoring the group's financial performance the directors monitor revenue, margins and EBITDA as the primary KPI.

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



D M Reid
Director

Date: 4/11/16

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2016**

The directors present their report and the financial statements for the year ended 30 April 2016.

Results and dividends

The loss for the year, after taxation, amounted to £73,200 (2015 - £1,008,283).

Directors

The directors who served during the year were:

J R Mechie
D M Reid
D Valentine
E McAdam

Future developments

Absoft will continue its diversification strategy into other sectors, staying at the leading edge of SAP technology with its own S4/HANA solutions. Absoft will continue to develop markets within the SAP installed base building on successful service lines including integrated support services and simplification and user experience.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has 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 auditors are aware of that information.

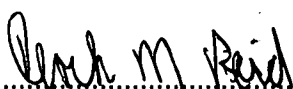
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


.....
D M Reid
Director

Date: 4/11/16

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 2016

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ABSOFT LIMITED**

We have audited the financial statements of Absoft Limited for the year ended 30 April 2016, set out on pages 6 to 26. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2016 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.

Emphasis of matter

In forming our opinion we have considered the adequacy of the disclosures made in Note 2.2 of the financial statements concerning the going concern position of the company. The financial statement have been prepared on a going concern basis, the validity of which depends on the forecast profitability and the ongoing availability of bank borrowings in the form an an invoice discounting facility. The financial statements do not contain any adjustments that would result if the bank facility was terminated. Our opinion is not qualified in this respect.

ABSOFT LIMITED



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ABSOFT LIMITED**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and 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

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.

Anderson Anderson & Brown LLP

Christopher Masson (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown LLP

Statutory auditor

Kingshill View

Kingswells

Prime Four Business Park

Aberdeen

AB15 8PU

Date: 8/11/16


**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2016**

	Note	2016 £	2015 £
Turnover	4	5,701,671	6,948,908
Cost of sales		(3,720,128)	(4,972,902)
Gross profit		<u>1,981,543</u>	<u>1,976,006</u>
Administrative expenses		(1,924,938)	(2,830,616)
Exceptional other operating charges		(119,357)	(137,011)
Operating loss	5	<u>(62,752)</u>	<u>(991,621)</u>
Interest receivable and similar income	9	36	69
Interest payable and expenses	10	(10,484)	(17,604)
Loss before tax		<u>(73,200)</u>	<u>(1,009,156)</u>
Tax on loss	11	-	873
Loss for the year		<u>(73,200)</u>	<u>(1,008,283)</u>
Total comprehensive loss for the year		<u>(73,200)</u>	<u>(1,008,283)</u>

**BALANCE SHEET
AS AT 30 APRIL 2016**

	Note	2016 £	2015 £
Tangible assets	13	93,225	218,494
Investments	14	3,241	3,241
		<u>96,466</u>	<u>221,735</u>
Current assets			
Debtors	15	1,490,956	1,333,135
Cash at bank and in hand	16	1,529	1,148
		<u>1,492,485</u>	<u>1,334,283</u>
Creditors: amounts falling due within one year	17	(1,967,950)	(1,990,172)
Net current liabilities		<u>(475,465)</u>	<u>(655,889)</u>
Total assets less current liabilities		<u>(378,999)</u>	<u>(434,154)</u>
Net liabilities		<u>(378,999)</u>	<u>(434,154)</u>
Capital and reserves			
Called up share capital	19	390	387
Share premium account		320,969	311,974
Capital redemption reserve		5	5
Other reserves		182,024	470,077
Profit and loss account		(882,387)	(1,216,597)
		<u>(378,999)</u>	<u>(434,154)</u>

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



D M Reid
Director

Date: 4/11/16

The notes on pages 10 to 26 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2016**

	Share capital	Share premium	Capital redemption reserve	Other reserves	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 May 2015	387	311,974	5	470,077	(1,216,597)	(434,154)
Loss for the year	-	-	-	-	(73,200)	(73,200)
Transfer	-	-	-	(407,410)	407,410	-
EMI share option provision	-	-	-	119,357	-	119,357
Shares issued during the year	3	8,995	-	-	-	8,998
At 30 April 2016	390	320,969	5	182,024	(882,387)	(378,999)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2015**

	Share capital	Share premium	Capital redemption reserve	Other reserves	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 May 2014	314	93,715	5	486,437	(361,685)	218,786
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,008,283)	(1,008,283)
Transfer	-	-	-	(153,371)	153,371	-
EMI share option provision	-	-	-	137,011	-	137,011
Shares issued during the year	73	218,259	-	-	-	218,332
At 30 April 2015	387	311,974	5	470,077	(1,216,597)	(434,154)

The notes on pages 10 to 26 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2016**

	2016 £	2015 £
Cash flows from operating activities		
Loss for the financial year	(73,200)	(1,008,283)
Adjustments for:		
Other operating charges	119,357	137,011
Depreciation of tangible assets	132,086	199,826
Interest paid	10,484	17,602
Interest received	(36)	(69)
Taxation	-	(873)
(Increase)/decrease in debtors	(195,688)	818,610
Decrease in amounts owed by group undertakings	37,867	-
Increase/(decrease) in creditors	40,287	(252,660)
Increase in amounts owed to group undertakings	4,297	-
Corporation tax	-	873
Net cash generated from operating activities	75,454	(87,963)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(9,230)
Purchase of tangible fixed assets	(6,817)	-
Interest received	36	69
HP interest paid	(10,477)	(16,316)
Net cash from investing activities	(17,258)	(25,477)
Cash flows from financing activities		
Issue of ordinary shares	8,998	218,332
Repayment of finance leases	(66,806)	(102,825)
Interest paid	(7)	(1,286)
Net cash used in financing activities	(57,815)	114,221
Net increase in cash and cash equivalents	381	781
Cash and cash equivalents at beginning of year	1,148	367
Cash and cash equivalents at the end of year	1,529	1,148
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,529	1,148
	1,529	1,148

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

1. General information

Absoft Limited is a private limited company incorporated in Aberdeen. The registered office is B3/B4 Davidson House, Campus 1, Aberdeen Science & Technology Park, Bridge of Don, Aberdeen.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The balance sheet at 30 April 2016 shows a net liability position of £378,999. Notwithstanding this the directors believe the company is a going concern given the forecast profitability and the ongoing availability of bank borrowings in the form of an invoice discounting facility.

The directors, having made due and careful enquiry and preparing financial projections, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months assuming the ongoing availability of the existing bank facility. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

2. Accounting policies (continued)

2.3 Revenue

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

Rendering of services

Revenue 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 revenue 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.

2.4 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Fixtures & fittings	- 10 - 33.3% straight line
Computer equipment	- 20% straight line
Tenants improvements	- 33.3 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 within 'other operating income' in the Statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016****2. Accounting policies (continued)****2.5 Operating leases: Lessee**

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment

2.7 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.

2.8 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

2. Accounting policies (continued)

2.9 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 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.

2.11 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 the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016****2. Accounting policies (continued)****2.12 Finance costs**

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 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 payments obligations.

The contributions are recognised as an expense in the Profit and loss account 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.

2.14 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.15 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

2.16 Taxation

Current tax, including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

2. Accounting policies (continued)

2.17 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.18 Share based payments

The company has applied the requirements of FRS102 "Share based payment". The company issues equity settled share-based payments to certain employees. Equity settled share based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity settled share-based payment, where material, is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares expected to eventually vest.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on amounts recognised in the financial statements.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Impairment of non-financial assets

Where there are indicators or impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transaction in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

4. Analysis of turnover

The whole of the turnover is attributable to the provision of IT products and services.

	2016 £	2015 £
United Kingdom	5,701,671	6,948,908

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	132,086	199,826
Exchange differences	2,343	11,132
Defined contribution pension cost	151,816	281,071

6. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	14,000	16,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	3,552,691	4,984,862
Social security costs	420,222	580,966
Cost of defined contribution scheme	151,816	281,071
	<u>4,124,729</u>	<u>5,846,899</u>

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

	2016 No.	2015 No.
Directors	4	4
Consultants	44	65
Sales and Marketing	10	11
Administration	4	5
	<u>62</u>	<u>85</u>

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	458,946	609,371
Company contributions to defined contribution pension schemes	17,657	35,125
	<u>476,603</u>	<u>644,496</u>

During the year retirement benefits were accruing to 4 directors (2015 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £142,821 (2015 - £127,308).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,365

The directors consider there to be no key management personnel during the year other than the directors themselves, the remuneration for which is noted above.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

9. Interest receivable

	2016 £	2015 £
Other interest receivable	36	69

10. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	7	1,288
Finance leases and hire purchase contracts	10,477	16,316
	<u>10,484</u>	<u>17,604</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

11. Taxation

	2016 £	2015 £
Corporation tax		
Adjustments in respect of previous periods	-	(873)
Taxation on profit/(loss) on ordinary activities	<u>-</u>	<u>(873)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 22.84%). The differences are explained below:

	2016 £	2015 £
Loss before tax	<u>(73,200)</u>	<u>(1,009,156)</u>
Loss before tax multiplied by standard rate of corporation tax in the UK of 20% (2015 - 22.84%)	(14,640)	(230,491)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	180	626
Deferred tax asset movement not recognised	14,460	239,740
Adjustments to tax charge in respect of prior periods	-	(873)
Non-taxable income	-	(9,875)
Total tax charge for the year	<u>-</u>	<u>(873)</u>

Factors that may affect future tax charges

A deferred tax exists at 30 April 2016 in respect of losses carried forward. This asset has not been recognised.

12. Exceptional items

	2016 £	2015 £
EMI share option provision	119,357	137,011
	<u>119,357</u>	<u>137,011</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

13. Tangible fixed assets

	Fixtures & fittings £	Computer equipment £	Tenants improvement s £	Total £
Cost or valuation				
At 1 May 2015	278,845	494,645	19,778	793,268
Additions	4,157	1,950	710	6,817
Disposals	(114,546)	(418,709)	(19,778)	(553,033)
At 30 April 2016	168,456	77,886	710	247,052
Depreciation				
At 1 May 2015	166,835	396,805	11,134	574,774
Charge owned for the period	41,516	81,216	9,354	132,086
Disposals	(114,546)	(418,709)	(19,778)	(553,033)
At 30 April 2016	93,805	59,312	710	153,827
Net book value				
At 30 April 2016	74,651	18,574	-	93,225
At 30 April 2015	112,010	97,840	8,644	218,494

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Computer equipment	-	51,314
	-	51,314

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

14. Fixed asset investments

	Investments in associates £
Cost or valuation	
At 1 May 2015	3,241
At 30 April 2016	3,241
At 30 April 2016	-
Net book value	
At 30 April 2016	3,241
At 30 April 2015	3,241
Participating interests	

Subsidiary undertakings

Name	Country of incorporation	Class of shares	Holding	Principal activity
Absoft Norge AS	Norway	Ordinary	100%	Provision of IT products and services within Norway
Absoft Group Limited	United Kingdom	Ordinary	100%	Dormant
Absoft International Limited	United Kingdom	Ordinary	100%	Dormant

The aggregate of the share capital and reserves as at 30 April 2016 for Absoft Norge was £12,569 and the loss for the year ended on that date was £3,278.

The aggregate of the share capital and reserves as at 30 April 2016 for both Absoft Group Limited and Absoft International Limited was £500. Neither of these companies traded during the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

15. Debtors

	2016 £	2015 £
Due after more than one year		
Other debtors	15,003	15,003
Due within one year		
Trade debtors	1,166,171	972,929
Amounts owed by group undertakings	-	37,867
Other debtors	12,511	12,511
Prepayments and accrued income	297,271	294,825
	<u>1,490,956</u>	<u>1,333,135</u>

16. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>1,529</u>	<u>1,148</u>
	<u>1,529</u>	<u>1,148</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

17. Creditors: Amounts falling due within one year

	2016 £	2015 £
Invoice discounting facility	468,730	278,502
Trade creditors	431,965	294,077
Amounts owed to group undertakings	4,297	-
Taxation and social security	436,692	460,329
Obligations under finance lease and hire purchase contracts	-	66,806
Other creditors	9,000	100,000
Accruals and deferred income	617,266	790,458
	<u>1,967,950</u>	<u>1,990,172</u>

Secured loans

The bank borrowings in the form of a invoice discounting facility is secured over certain trade debtors of the company and by a bond and floating charge over the assets of the company.

18. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	1,529	1,148
Financial assets that are debt instruments measured at amortised cost	<u>1,218,076</u>	<u>1,072,960</u>
	<u>1,219,605</u>	<u>1,074,108</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,094,113)</u>	<u>(916,616)</u>
	<u>(1,094,113)</u>	<u>(916,616)</u>

Financial assets measured at amortised cost comprise bank and cash balances, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

19. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
389,714 (2015 - 386,714) Ordinary shares of £0.001 each	390	387

3,000 new share issued in the year at a price of £3 per share.

Share options

The company has established an Enterprise Management Incentive (EMI) Share Option Scheme for key employees. Under this scheme, employees may subscribe in cash for ordinary shares on dates specified in their option contracts or on an exercise event.

The number, description and amount of shares to which rights are exercisable are as follows:

Date of grant	Number of grants	Number of shares	Price to be paid per share	By 30 April 2024	By 8 October 2025
30 May 2014	1	5,000	2.50	5,000	
8 October 2015	48	114,826	3.00		114,826

20. Pension commitments

The company contributes to a defined contribution pension scheme. During the year £151,816 was paid into the scheme (2015 - £281,071). Contributions totaling £489 (2015 - £1,057) were payable to the fund at the balance sheet date and included in creditors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

21. Commitments under operating leases

At 30 April 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Later than 1 year and not later than 5 years	59,390	59,390
Later than 5 years	178,170	157,900
Total	237,560	217,290
	2016 £	2015 £
Not later than 1 year	-	32,196
Total	-	32,196

22. Related party transactions

Control

Throughout the year the company was controlled by the directors.

Transactions

During the year the company had the following transactions with related parties:

Related party	Transaction	£	Balance at year end
I Mechie, director	Directors loan repayment	(70,000)	(30,000)
D Reid, director	Advances	21,000	21,000

The company has taken advantage of paragraph 33.1a of FRA102 (Related party disclosures) which allows exemption from disclosure of related party transactions with other group companies.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016**

23. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.