

Company Registration No. SC239599 (Scotland)

**ABELON SYSTEMS LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

# ABELON SYSTEMS LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Ian Smith Duncan Walker Adrian McKie
<b>Secretary</b>	AS Company Services Ltd
<b>Company number</b>	SC239599
<b>Registered office</b>	Building 4, Quantum Court Research Avenue South Heriot-Watt University Research Park Edinburgh EH14 4AP
<b>Accountants</b>	David Marshall Associates CBC House 24 Canning Street Edinburgh EH3 8EG
<b>Business address</b>	Building 4, Quantum Court Research Avenue South Heriot-Watt University Research Park Edinburgh EH14 4AP
<b>Bankers</b>	HSBC Hobart House 76 Hanover Street Edinburgh EH2 1EL
<b>Solicitors</b>	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY

---

# ABELON SYSTEMS LIMITED

## CONTENTS

---

	<b>Page</b>
Directors' report	1
Profit and loss account	3
Balance sheet	4 - 5
Notes to the financial statements	6 - 9

---

# **ABELON SYSTEMS LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2016***

---

The directors present their report and financial statements for the year ended 31 December 2016.

### **Principal activities**

The principal activity of the company continued to be that of software sales and consultancy.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ian Smith  
Duncan Walker  
Adrian McKie

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Ian Smith  
**Director**  
7 June 2017

## **ABELON SYSTEMS LIMITED**

### **REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF ABELON SYSTEMS LIMITED**

---

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Abelon Systems Limited for the year ended 31 December 2016 set out on pages to 9 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in Scotland, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.org.uk/regulations>.

This report is made solely to the Board of Directors of Abelon Systems Limited, as a body, in accordance with the terms of our engagement letter dated 17 March 2014. Our work has been undertaken solely to prepare for your approval the financial statements of Abelon Systems Limited and state those matters that we have agreed to state to the Board of Directors of Abelon Systems Limited, as a body, in this report in accordance with technical guidance issued by the Institute of Chartered Accountants in Scotland as detailed at <http://www.icas.org/regulations>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Abelon Systems Limited and its Board of Directors as a body, for our work or for this report.

You have acknowledged on the balance sheet as at 31 December 2016 your duty to ensure that the company has kept adequate accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Abelon Systems Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

**David Marshall Associates**

7 June 2017

**Chartered Accountants**

CBC House  
24 Canning Street  
Edinburgh  
EH3 8EG

## ABELON SYSTEMS LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

---

	Notes	2016 £	2015 £
Turnover		506,152	724,211
Cost of sales		(611,389)	(629,405)
		<hr/>	<hr/>
Gross (loss)/profit		(105,237)	94,806
Administrative expenses		(105,709)	(107,062)
		<hr/>	<hr/>
Operating loss		(210,946)	(12,256)
Interest receivable and similar income		148	146
		<hr/>	<hr/>
Loss before taxation		(210,798)	(12,110)
Taxation		38,055	(107)
		<hr/>	<hr/>
Loss for the financial year		<u>(172,743)</u>	<u>(12,217)</u>

# ABELON SYSTEMS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	3		200		300
Tangible assets	4		2,751		3,657
			<u>2,951</u>		<u>3,957</u>
<b>Current assets</b>					
Stocks		20,264		65,213	
Debtors	5	138,782		261,583	
Cash at bank and in hand		90,101		154,088	
		<u>249,147</u>		<u>480,884</u>	
<b>Creditors: amounts falling due within one year</b>	6	(15,514)		(75,333)	
<b>Net current assets</b>			<u>233,633</u>		<u>405,551</u>
<b>Total assets less current liabilities</b>			<u>236,584</u>		<u>409,508</u>
<b>Provisions for liabilities</b>			<u>(550)</u>		<u>(731)</u>
<b>Net assets</b>			<u><u>236,034</u></u>		<u><u>408,777</u></u>
<b>Capital and reserves</b>					
Called up share capital	7		8,100		8,100
Share premium account			366		366
Profit and loss reserves			<u>227,568</u>		<u>400,311</u>
<b>Total equity</b>			<u><u>236,034</u></u>		<u><u>408,777</u></u>

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

## **ABELON SYSTEMS LIMITED**

### **BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2016***

---

The financial statements were approved by the board of directors and authorised for issue on 7 June 2017 and are signed on its behalf by:

Duncan Walker  
**Director**

Adrian McKie  
**Director**

**Company Registration No. SC239599**



# ABELON SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2016**

---

### **1 Accounting policies**

#### **Company information**

Abelon Systems Limited is a private company limited by shares incorporated in Scotland. The registered office is Building 4, Quantum Court, Research Avenue South, Heriot-Watt University Research Park, Edinburgh, EH14 4AP.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Abelon Systems Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1.3 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents	10% Straight Line
---------	-------------------

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	25% straight line
Fixtures, fittings & equipment	25% straight line

# ABELON SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

---

### 1 Accounting policies

(Continued)

#### 1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include stock, debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

# ABELON SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 10 (2015 - 13).

### 3 Intangible fixed assets

	Other £
<b>Cost</b>	
At 1 January 2016 and 31 December 2016	1,000
<b>Amortisation and impairment</b>	
At 1 January 2016	700
Amortisation charged for the year	100
At 31 December 2016	800
<b>Carrying amount</b>	
At 31 December 2016	200
At 31 December 2015	300

### 4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 January 2016 and 31 December 2016	6,938	55,618	62,556
<b>Depreciation and impairment</b>			
At 1 January 2016	6,938	51,153	58,091
Depreciation charged in the year	-	1,714	1,714
At 31 December 2016	6,938	52,867	59,805
<b>Carrying amount</b>			
At 31 December 2016	-	2,751	2,751
At 31 December 2015	-	3,657	3,657

# ABELON SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 5 Debtors

	2016	2015
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	83,732	205,788
Corporation tax recoverable	37,874	38,758
Other debtors	17,176	17,037
	<u>138,782</u>	<u>261,583</u>

### 6 Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	-	843
Trade creditors	4,560	10,648
Corporation tax	(37,874)	-
Other taxation and social security	23,632	49,613
Other creditors	25,196	14,229
	<u>15,514</u>	<u>75,333</u>

### 7 Called up share capital

	2016	2015
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
600,000 Ordinary A share of 1p each	6,000	6,000
210,000 Ordinary B share of 1p each	2,100	2,100
	<u>8,100</u>	<u>8,100</u>

### 9 Directors' transactions

Interest free loans have been granted by the directors to company as follows:

I Smith: 19,337 (2015: £9,337)  
D Walker: £667 (2015 £667)  
A Mackie: £667 (2015: £667)

**ABELON SYSTEMS LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

## ABELON SYSTEMS LIMITED

### SCHEDULE OF ADMINISTRATIVE EXPENSES

*FOR THE YEAR ENDED 31 DECEMBER 2016*

	2016	2015
	£	£
<b>Administrative expenses</b>		
Social security costs	448	-
Subcontract labour	474	-
Staff welfare	1,078	1,235
Staff training	887	104
Rent re operating leases	37,476	41,507
Rates	20,550	18,875
Cleaning	5,420	4,932
Power, light and heat	-	1,319
Property repairs and maintenance	2,148	1,961
Premises insurance	13,238	8,539
Computer running costs	3,249	3,396
Motor running expenses	-	26
Travelling expenses	1,292	6,458
Professional subscriptions	454	593
Legal and professional fees	7,095	3,848
Accountancy	4,713	4,700
Charitable donations	50	350
Bank charges	256	279
Printing and stationery	362	388
Advertising	1,914	2,775
Telecommunications	2,442	3,109
Entertaining	349	969
Entertainment - Non allowable	-	87
Amortisation	100	100
Depreciation	1,714	1,512
	<hr/>	<hr/>
	105,709	107,062
	<hr/>	<hr/>

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.