

Company Registration No. SC239599 (Scotland)

**ABELON SYSTEMS LIMITED**  
**DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

# ABELON SYSTEMS LIMITED

## COMPANY INFORMATION

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<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

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# **ABELON SYSTEMS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2013**

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The directors present their report and financial statements for the year ended 31 December 2013.

#### **Principal activities**

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

#### **Directors**

The following directors have held office since 1 January 2013:

Ian Smith  
Duncan Walker  
Adrian McKie

#### **Statement of directors' responsibilities**

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

Ian Smith  
**Director**  
20 August 2014

## **ABELON SYSTEMS LIMITED**

### **CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF ABELON SYSTEMS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2013**

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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 2013 set out on pages 3 to 10 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 of Scotland, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.org.uk/accountspreparationguidance>.

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 6 September 2010. We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in Scotland as detailed at <http://www.icas.org/accountspreparationguidance> and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 December 2013 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**

20 August 2014

**Chartered Accountants**

CBC House  
24 Canning Street  
Edinburgh  
EH3 8EG

## ABELON SYSTEMS LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

		2013	2012
	Notes	£	£
<b>Turnover</b>		683,407	612,119
Cost of sales		<u>(575,349)</u>	<u>(495,254)</u>
<b>Gross profit</b>		108,058	116,865
Administrative expenses		<u>(107,167)</u>	<u>(113,731)</u>
<b>Operating profit</b>	<b>2</b>	891	3,134
Other interest receivable and similar income	<b>3</b>	<u>255</u>	<u>423</u>
<b>Profit on ordinary activities before taxation</b>		1,146	3,557
Tax on profit on ordinary activities	<b>4</b>	<u>2,150</u>	<u>23,696</u>
<b>Profit for the year</b>	<b>13</b>	<u><u>3,296</u></u>	<u><u>27,253</u></u>

# ABELON SYSTEMS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Intangible assets	6		500		600
Tangible assets	7		12,740		25,222
			13,240		25,822
<b>Current assets</b>					
Stocks		35,460		82,379	
Debtors	8	331,589		179,340	
Cash at bank and in hand		150,698		321,035	
		517,747		582,754	
<b>Creditors: amounts falling due within one year</b>	9	(79,784)		(158,519)	
<b>Net current assets</b>			437,963		424,235
<b>Total assets less current liabilities</b>			451,203		450,057
<b>Provisions for liabilities</b>	10		(2,201)		(4,351)
			449,002		445,706
<b>Capital and reserves</b>					
Called up share capital	12		8,100		8,100
Share premium account	13		366		366
Profit and loss account	13		440,536		437,240
<b>Shareholders' funds</b>			449,002		445,706

## **ABELON SYSTEMS LIMITED**

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

**AS AT 31 DECEMBER 2013**

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For the financial year ended 31 December 2013 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**

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

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 20 August 2014

Duncan Walker  
**Director**

Adrian McKie  
**Director**

**Company Registration No. SC239599**

# ABELON SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### 1.2 Turnover

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

#### 1.3 Trade Marks

Trade Marks are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over 10 years, being their estimated useful lives.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

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

#### 1.5 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

#### 1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 2 Operating profit

	2013	2012
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	100	100
Depreciation of tangible assets	12,790	12,930
Directors' emoluments	135,491	121,329

### 3 Investment income

	2013	2012
	£	£
Bank interest	143	423
Other interest	112	-



# ABELON SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

<b>4</b>	<b>Taxation</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	Adjustment for prior years	-	(21,457)
	<b>Total current tax</b>	-	(21,457)
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(2,150)	(2,239)
		(2,150)	(23,696)
<b>5</b>	<b>Dividends</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	-	25,000
<b>6</b>	<b>Intangible fixed assets</b>		
			<b>Trade Marks</b>
			<b>£</b>
	<b>Cost</b>		
	At 1 January 2013 & at 31 December 2013		1,000
	<b>Amortisation</b>		
	At 1 January 2013		400
	Charge for the year		100
	At 31 December 2013		500
	<b>Net book value</b>		
	At 31 December 2013		500
	At 31 December 2012		600

# ABELON SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 7 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 January 2013	6,938	48,697	55,635
Additions	-	308	308
At 31 December 2013	6,938	49,005	55,943
<b>Depreciation</b>			
At 1 January 2013	3,468	26,945	30,413
Charge for the year	1,734	11,056	12,790
At 31 December 2013	5,202	38,001	43,203
<b>Net book value</b>			
At 31 December 2013	1,736	11,004	12,740
At 31 December 2012	3,470	21,752	25,222

#### 8 Debtors

	2013 £	2012 £
Trade debtors	291,894	148,834
Other debtors	39,695	30,506
	331,589	179,340

Included in other debtors is an amount of £28,345 for an 'above the line' R&D tax credit for the year.

# ABELON SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

9	Creditors: amounts falling due within one year	2013 £	2012 £
	Bank loans and overdrafts	1,141	1,804
	Trade creditors	5,981	10,633
	Taxation and social security	50,573	51,679
	Other creditors	22,089	94,403
		<u>79,784</u>	<u>158,519</u>

Included in other creditors are loans made to the company by the directors. The full amount outstanding at the year end is £19,341 (2012 - £19,341). These loans have no fixed repayment dates and bear no interest.

#### 10 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2013	4,351
Profit and loss account	<u>(2,150)</u>
Balance at 31 December 2013	<u>2,201</u>

The deferred tax liability is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	<u>2,201</u>	<u>4,351</u>

#### 11 Pension costs

##### Defined contribution

	2013 £	2012 £
Contributions payable by the company for the year	<u>33,526</u>	<u>40,226</u>

# ABELON SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

12 Share capital	2013 £	2012 £
<b>Allotted, called up 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>

### 13 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2013	366	437,240
Profit for the year	-	3,296
	<u>366</u>	<u>440,536</u>

### 14 Financial commitments

At 31 December 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014:

	2013 £	2012 £
Operating leases which expire:		
Between two and five years	43,260	37,618

### 15 Control

The Directors, as listed on page 1, control the entity.

**ABELON SYSTEMS LIMITED**  
**MANAGEMENT INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

# ABELON SYSTEMS LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

		2013		2012
	£	£	£	£
<b>Turnover</b>				
Sales		683,407		612,119
<b>Cost of sales</b>				
Opening work in progress	82,379		40,635	
Purchases	8,902		18,138	
Wages and salaries (excl. N.I.)	330,057		313,812	
Directors' remuneration	129,027		109,365	
Employer's N.I. contributions	51,695		47,063	
Directors' pension costs	7,464		11,964	
Staff pension scheme costs	26,062		28,262	
Subcontract labour	3,220		8,233	
Healthcare	348		161	
Above the line R&D tax credit	(31,950)		-	
R&D Tax credit off-set against CT Charge	3,605		-	
	610,809		577,633	
Closing work in progress	(35,460)		(82,379)	
		(575,349)		(495,254)
<b>Gross profit</b>	15.81%	108,058	19.09%	116,865
<b>Administrative expenses</b>		(107,167)		(113,731)
<b>Operating profit</b>		891		3,134
<b>Other interest receivable and similar income</b>				
Bank interest received	143		423	
Interest on tax refund	112		-	
		255		423
<b>Profit before taxation</b>	0.17%	<u>1,146</u>	0.58%	<u>3,557</u>

## ABELON SYSTEMS LIMITED

### SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	£	£
<b>Administrative expenses</b>		
Rent	34,407	29,154
Rates	18,008	23,564
Insurance	8,701	8,462
Cleaning	5,033	5,420
Repairs and maintenance	2,336	3,174
Printing, postage and stationery	336	437
Advertising	-	228
Reference books	121	24
Training Costs	1,532	2,053
Telephone	2,813	2,340
IT consumable costs	1,005	11,897
Motor running expenses	9	15
Travelling expenses	11,718	2,879
Entertaining	1,098	1,034
Entertaining - non allowable	476	583
Legal and professional fees	13	1,403
Accountancy	4,360	5,931
Bank charges	257	255
Canteen	1,522	1,323
Subscriptions	315	308
Subscriptions - non allowable	217	217
Depreciation on intangible assets	100	100
Amortisation on long leasehold	1,734	1,734
Depreciation	11,056	11,196
	<u>107,167</u>	<u>113,731</u>

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