

Registered number: 07508665

ABIDE FINANCIAL LTD

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**



ABIDE FINANCIAL LTD

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ABIDE FINANCIAL LTD

COMPANY INFORMATION

| | |
|-----------------------------|----------------------------------------------------------------------------------------------------------|
| Directors | J F C Abel C Bates C Coleman M Gopaul S Gibson B J Robey-Pott (appointed 19 January 2017) |
| Company secretary | R Gaskell |
| Registered number | 07508665 |
| Registered office | 78 Cannon Street, London, United Kingdom EC4N 6HL |
| Independent auditors | PricewaterhouseCoopers LLP 2 Glass Wharf Bristol BS2 0FR |

ABIDE FINANCIAL LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017

The directors present their annual report and the audited financial statements for Abide Financial Ltd (the "company") for the year ended 30 June 2017.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

J F C Abel
C Bates
C Coleman
M Gopaul
A R Palmer (resigned 16 January 2017)
S Gibson
B J Robey-Pott (appointed 19 January 2017)
J K Knott (appointed 19 January 2017, resigned 24 October 2017)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, comprising FRS 102, 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 to 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.

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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the 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.

ABIDE FINANCIAL LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Independent Auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

Small companies exemption

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 on 22 March 2018 and signed on its behalf by:



C Coleman
Director

Report on the audit of the financial statements

Opinion

In our opinion, Abide Financial Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2017; the statement of comprehensive income statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

ABIDE FINANCIAL LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABIDE FINANCIAL LTD (CONTINUED)

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

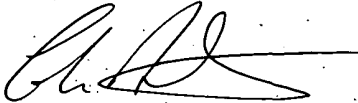
We have no exceptions to report arising from this responsibility.

ABIDE FINANCIAL LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABIDE FINANCIAL LTD (CONTINUED)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory auditors

Bristol

Date: 22 March 2018

ABIDE FINANCIAL LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

| | 2017 £ | 2016 £ |
|-----------------------------------------------------------|--------------------|------------------|
| Turnover | 5,243,383 | 4,969,844 |
| Cost of sales | (848,925) | (552,647) |
| Gross profit | 4,394,458 | 4,417,197 |
| Administrative expenses | (7,141,824) | (4,440,379) |
| Operating loss | (2,747,366) | (23,182) |
| Interest payable and similar expenses | (48,923) | - |
| Loss before taxation | (2,796,289) | (23,182) |
| Tax on loss | 275,185 | 116,886 |
| (Loss)/profit for the financial year | (2,521,104) | 93,704 |
| | | |
| Total comprehensive expense for the financial year | (2,521,104) | 93,704 |

The notes on pages 10 to 20 form part of these financial statements.

ABIDE FINANCIAL LTD
REGISTERED NUMBER: 07508665

BALANCE SHEET
AS AT 30 JUNE 2017

| | Note | 2017 £ | 2016 £ |
|---------------------------------------------------------|------|------------------|------------------|
| Fixed assets | | | |
| Intangible assets | 5 | 2,474,904 | 1,104,956 |
| Tangible assets | 6 | 219,983 | 216,513 |
| | | <u>2,694,887</u> | <u>1,321,469</u> |
| Current assets | | | |
| Debtors | 7 | 2,249,102 | 1,669,561 |
| Cash at bank and in hand | | 332,449 | 789,189 |
| | | <u>2,581,551</u> | <u>2,458,750</u> |
| Creditors: amounts falling due within one year | 8 | (1,457,518) | (804,813) |
| Net current assets | | <u>1,124,033</u> | <u>1,653,937</u> |
| Total assets less current liabilities | | <u>3,818,920</u> | <u>2,975,406</u> |
| Creditors: amounts falling due after more than one year | 9 | (3,000,000) | - |
| Provisions for liabilities | | | |
| Deferred taxation | 10 | - | (86,882) |
| Net assets | | <u>818,920</u> | <u>2,888,524</u> |
| Capital and reserves | | | |
| Called up share capital | | 281,242 | 254,992 |
| Share premium account | | 2,369,325 | 1,944,075 |
| Profit and loss account | | (1,831,647) | 689,457 |
| Total shareholders' funds | | <u>818,920</u> | <u>2,888,524</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20/3/18 by:



C Coleman
 Director

The notes on pages 10 to 20 form part of these financial statements.

ABIDE FINANCIAL LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

| | Called up share capital £ | Share premium account £ | Profit and loss account £ | Total shareholders' funds £ |
|-----------------------------------------------------------|---------------------------------|----------------------------------|---------------------------------|--------------------------------------|
| At 1 July 2015 | 196,251 | - | 595,753 | 792,004 |
| Comprehensive expense for the financial year | | | | |
| Loss for the financial year | - | - | 93,704 | 93,704 |
| Total comprehensive expense for the financial year | - | - | 93,704 | 93,704 |
| Contributions by and distributions to owners | | | | |
| Shares issued during the year | 58,741 | 1,944,075 | - | 2,002,816 |
| Total transactions with owners | 58,741 | 1,944,075 | - | 2,002,816 |
| At 1 July 2016 | 254,992 | 1,944,075 | 689,457 | 2,888,524 |
| Comprehensive expense for the financial year | | | | |
| Loss for the financial year | - | - | (2,521,104) | (2,521,104) |
| Total comprehensive expense for the financial year | - | - | (2,521,104) | (2,521,104) |
| Contributions by and distributions to owners | | | | |
| Shares issued during the year | 26,250 | 425,250 | - | 451,500 |
| Total transactions with owners | 26,250 | 425,250 | - | 451,500 |
| At 30 June 2017 | 281,242 | 2,369,325 | (1,831,647) | 818,920 |

ABIDE FINANCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. General information

Abide Financial Ltd (the "company") is a private limited company and is incorporated and domiciled in England and Wales. The address of its registered office is 78 Cannon Street, London, United Kingdom, EC4N 6HL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

This is the first year that the company has presented its results under FRS 102 1A. The last financial statements under UK GAAP were for the year ended 30 June 2016.

The following principal accounting policies have been applied consistently throughout the year:

2.2 First time adoption of FRS 102

The following were changes in accounting policies arising from the transition to FRS 102:

- Under FRS 102, the company is required to recognise an accrual for holiday pay, representing the pro-rata portion of employee's holiday allowance that has not been taken at the balance sheet date. Under FRSSE there was no explicit requirement for such an accrual. The effect of this adjustment on deferred tax has also been recognised.
- FRS 102 allows the option to capitalise development expenditure, provided specific criteria are met. Therefore, the option has been taken to capitalise all development expenditure meeting the criteria.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.3 Turnover

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

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover 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 turnover 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 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development expenditure has been capitalised where a clearly defined project exists that meets the criteria for being an intangible asset as set out in FRS 102. Capitalised development expenditure is amortised over 5-10 years in line with life of the projects.

2.5 Tangible assets

Tangible 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.5 Tangible assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

| | |
|------------------------|-----------------------------------------------------|
| Leasehold improvements | - 5 years straight line or term of lease if shorter |
| Fixtures and fittings | - 3 years straight line |
| Office equipment | - 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 the Statement of Comprehensive Income.

2.6 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.

2.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.8 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 debtors and creditors, 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 debtors and creditors, 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 Statement of Comprehensive Income.

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.

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.

2.9 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.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.11 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 the Statement of Comprehensive Income 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.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.13 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 the Statement of Comprehensive Income 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.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.15 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Auditors' remuneration

| | 2017 £ | 2016 £ |
|---------------------------------------------------------------------------------------------------|---------------|---------------|
| Fees payable to the Company's auditors for the audit of the Company's annual financial statements | <u>25,000</u> | <u>17,000</u> |
| Fees payable to the Company's auditors in respect of: | | |
| Taxation services | 76,600 | 7,450 |
| Other non audit services | 1,030 | 21,525 |
| | <u>77,630</u> | <u>28,975</u> |

4. Employees

The average monthly number of employees, including directors, during the year was 77 (2016: 45).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

5. Intangible assets

| | Capitalised development expenditure £ | Computer software £ | Total £ |
|---------------------------------|------------------------------------------------|---------------------------|------------------|
| Cost | | | |
| At 1 July 2016 | 1,432,929 | - | 1,432,929 |
| Additions | 1,502,864 | 17,040 | 1,519,904 |
| At 30 June 2017 | <u>2,935,793</u> | <u>17,040</u> | <u>2,952,833</u> |
| Accumulated depreciation | | | |
| At 1 July 2016 | 327,973 | - | 327,973 |
| Charge for the year | 144,748 | 5,208 | 149,956 |
| At 30 June 2017 | <u>472,721</u> | <u>5,208</u> | <u>477,929</u> |
| Net book value | | | |
| At 30 June 2017 | <u>2,463,072</u> | <u>11,832</u> | <u>2,474,904</u> |
| At 30 June 2016 | <u>1,104,956</u> | <u>-</u> | <u>1,104,956</u> |

ABIDE FINANCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

6. Tangible assets

| | Leasehold improvements £ | Fixtures and fittings £ | Equipment £ | Total £ |
|---------------------------------|--------------------------------|-------------------------------|----------------|----------------|
| Cost | | | | |
| At 1 July 2016 | 90,349 | 30,139 | 289,986 | 410,474 |
| Additions | 1,074 | 14,924 | 123,999 | 139,997 |
| At 30 June 2017 | <u>91,423</u> | <u>45,063</u> | <u>413,985</u> | <u>550,471</u> |
| Accumulated depreciation | | | | |
| At 1 July 2016 | 42,780 | 14,288 | 136,893 | 193,961 |
| Charge for the year | 18,403 | 12,314 | 105,810 | 136,527 |
| At 30 June 2017 | <u>61,183</u> | <u>26,602</u> | <u>242,703</u> | <u>330,488</u> |
| Net book value | | | | |
| At 30 June 2017 | <u>30,240</u> | <u>18,461</u> | <u>171,282</u> | <u>219,983</u> |
| At 30 June 2016 | <u>47,569</u> | <u>15,851</u> | <u>153,093</u> | <u>216,513</u> |

7. Debtors

| | 2017 £ | 2016 £ |
|--------------------------------|------------------|------------------|
| Trade debtors | 391,214 | 605,216 |
| Other debtors | 71,914 | 117,692 |
| Prepayments and accrued income | 1,500,744 | 946,653 |
| Tax recoverable | 285,230 | - |
| | <u>2,249,102</u> | <u>1,669,561</u> |

ABIDE FINANCIAL LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

8. Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|----------------|
| Trade creditors | 120,817 | 145,201 |
| Amounts owed to group undertakings | 48,944 | - |
| Other taxation and social security | 276,306 | 243,966 |
| Other creditors | 54,707 | 13,260 |
| Accruals and deferred income | 956,744 | 402,386 |
| | <u>1,457,518</u> | <u>804,813</u> |

Amount owed to group undertakings bear accrued interest of £48,923. The facility expires October 2021.

9. Creditors: amounts falling due after more than one year

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|-----------|
| Amounts owed to group undertakings | <u>3,000,000</u> | <u>-</u> |

10. Deferred taxation

| | 2017 £ |
|-------------------------------------|-----------|
| As at 1 Jul | 86,882 |
| Transferred to the income statement | (49,000) |
| Derecognition of deferred tax | (37,882) |
| At end of year | <u>-</u> |

The deferred taxation balance is made up as follows:

| | 2017 £ | 2016 £ |
|-----------------------------------------------------------------|-----------|---------------|
| Excess of taxation allowances over depreciation on fixed assets | - | 99,208 |
| Losses | - | (12,326) |
| | <u>-</u> | <u>86,882</u> |

ABIDE FINANCIAL LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

11. Commitments under operating leases

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

| | 2017 | 2016 |
|----------------------------------------------|----------------------|----------------|
| | £ | £ |
| Not later than 1 year | 68,615 | 68,615 |
| Later than 1 year and not later than 5 years | - | 68,615 |
| | <u>68,615</u> | <u>137,230</u> |

12. Related party transactions

At the year end the company has a related party payable of £3,000,000 (2016: £8,661) with a parent company NEX Group Plc (previously Icap Plc).

13. Controlling party

The directors regard NEX Group PLC, a company registered in England and Wales, as the immediate parent company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

14. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 July 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 July 2015

| | Note | £ |
|---------------------------------------------------------------|------|-----------------------|
| Equity at 1 July 2015 under previous UK GAAP | | 839,344 |
| Holiday pay accrual | 1 | (47,340) |
| Equity shareholders funds at 1 July 2015 under FRS 102 | | <u><u>792,004</u></u> |

Reconciliation of equity at 30 June 2016

| | Note | £ |
|----------------------------------------------------------------|------|-------------------------|
| Equity at 30 June 2016 under previous UK GAAP | | 2,710,284 |
| Holiday pay accrual | 2 | (47,340) |
| Extra development costs capitalised | 2 | 225,580 |
| Equity shareholders funds at 30 June 2016 under FRS 102 | | <u><u>2,888,524</u></u> |

Reconciliation of profit and loss account for the year ended 30 June 2016

| | | £ |
|-------------------------------------------------------------|---|----------------------|
| Loss for the year under previous UK GAAP | | (131,876) |
| Extra development costs capitalised | 2 | 225,580 |
| Profit for the year ended 30 June 2016 under FRS 102 | | <u><u>93,704</u></u> |

The following were changes in accounting policies arising from the transition to FRS 102:

1. Under FRS 102, the company is required to recognise an accrual for holiday pay, representing the pro-rata portion of employee's holiday allowance that has not been taken at the balance sheet date. Under FRSSE there was no explicit requirement for such an accrual. The effect of this adjustment on deferred tax has also been recognised.
2. FRS 102 allows the option to capitalise development expenditure, provided specific criteria are met. Therefore, the option has been taken to capitalise all development expenditure meeting the criteria.