

Registered number: SC129581

ABSOFIT LIMITED

**UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**



ABSOFIT LIMITED

COMPANY INFORMATION

Directors	J R Mechie D M Reid D Valentine K Davidson
Company secretary	D M Reid
Registered number	SC129581
Registered office	B3/B4 Davidson House Campus 1, Aberdeen Innovation Park Bridge of Don Aberdeen

ABSOFT LIMITED

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ABSOF LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2022

The directors present their report and the financial statements for the year ended 30 April 2022.

Principal activity

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 applications.

Business review

The results for the year are set out in the profit and loss account. The profit and loss account shows a profit before tax for the year of £281,803 (2021 - £248,784). The directors are satisfied with the results for the year given the prevailing business environment which was significantly disrupted, initially by the global Coronavirus pandemic, and latterly by the inflationary pressures on the business..

Our managed services, support and infrastructure service lines continued to grow during the year, increasing the proportion of recurring revenues.

The board continue to look forward to building upon increasing UK interest in the latest version of SAPs ERP system - S/4HANA, and have accordingly invested in developing and marketing Adima, a pre-packaged version of S/4HANA aimed specifically at SME manufacturers. As with the previous year, this market did not grow as we had hoped due to the pandemic, but we remain confident that this will grow significantly going forward. We are already seeing evidence of increased customer interest in take up of the new product. We are also confident previous developments in our cloud services offerings will bear fruit as a result of an acceleration in the adoption of "cloud first" strategies by the SAP installed base.

Directors

The directors who served during the year were:

J R Mechie
D M Reid
D Valentine
K Davidson

Principal risks and uncertainties

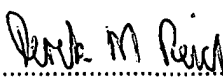
The principal risk, as always, is the business environment. However, our diversification strategy has continued to the extent that we are not over-exposed in any one sector.

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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


.....
D M Reid
Director

Date: 25/01/2023

ABSFT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 2022

The directors are responsible for preparing 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's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

ABSOFIT LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2022**

	2022 £	2021 £
Turnover	6,295,609	6,180,310
Cost of sales	(4,286,470)	(4,195,110)
Gross profit	2,009,139	1,985,200
Administrative expenses	(1,727,577)	(1,736,847)
Operating profit	281,562	248,353
Interest receivable and similar income	229	431
Interest payable and expenses	12	-
Profit before tax	281,803	248,784
Tax on profit	(53,294)	(55,219)
Profit for the year	228,509	193,565

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 6 to 14 form part of these financial statements.

ABSOFIT LIMITED

REGISTERED NUMBER: SC129581

**BALANCE SHEET
AS AT 30 APRIL 2022**

	Note	2022 £	2021 £
Tangible assets	4	49,937	52,548
Investments	5	2	2
		<u>49,939</u>	<u>52,550</u>
Current assets			
Debtors	6	1,320,552	1,575,225
Cash at bank and in hand	7	1,557,977	1,437,767
		<u>2,878,529</u>	<u>3,012,992</u>
Creditors: amounts falling due within one year	8	(1,397,577)	(1,727,920)
Net current assets		<u>1,480,952</u>	<u>1,285,072</u>
Total assets less current liabilities		<u>1,530,891</u>	<u>1,337,622</u>
Provisions for liabilities			
Deferred taxation	10	(6,813)	(5,347)
		<u>(6,813)</u>	<u>(5,347)</u>
Net assets		<u><u>1,524,078</u></u>	<u><u>1,332,275</u></u>
Capital and reserves			
Called up share capital		383	391
Share premium account		357,697	338,126
Capital redemption reserve		22	9
Profit and loss account		1,165,976	993,749
		<u><u>1,524,078</u></u>	<u><u>1,332,275</u></u>

ABSOF LIMITED

REGISTERED NUMBER: SC129581

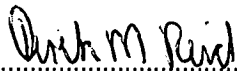
**BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2022**

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

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

The 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 by:



.....
D M Reid
Director

Date: 25/01/2023

The notes on pages 6 to 14 form part of these financial statements.

ABSOF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

1. General information

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

The principal activity of the company 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.

2. Accounting policies

2.1 Going concern

The directors are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. 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.

2.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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.

The following principal accounting policies have been applied:

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 profit or loss 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 Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.4 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.

2.5 Pensions

Defined contribution pension plan

The company contributes to 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 by 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.

2.6 Current and deferred 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 2022**

2. Accounting policies (continued)

2.7 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.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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
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 in profit or loss.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment

2.10 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.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 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.

ABSOFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

2. Accounting policies (continued)

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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.14 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.

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.

3. Employees

The average monthly number of employees, including directors, during the year was 59 (2021 - 59).

ABSOFIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

4. Tangible fixed assets

	Fixtures & fittings £	Tenants improvements £	Total £
Cost or valuation			
At 1 May 2021	162,052	28,851	190,903
Additions	35,783	-	35,783
Disposals	(77,041)	-	(77,041)
At 30 April 2022	<u>120,794</u>	<u>28,851</u>	<u>149,645</u>
Depreciation			
At 1 May 2021	126,815	11,540	138,355
Charge for the year on owned assets	26,854	11,540	38,394
Disposals	(77,041)	-	(77,041)
At 30 April 2022	<u>76,628</u>	<u>23,080</u>	<u>99,708</u>
Net book value			
At 30 April 2022	<u>44,166</u>	<u>5,771</u>	<u>49,937</u>
At 30 April 2021	<u>35,237</u>	<u>17,311</u>	<u>52,548</u>

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2021	<u>2</u>
At 30 April 2022	<u>2</u>

ABSOFIT LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022****6. Debtors**

	2022 £	2021 £
Due after more than one year		
Other debtors	15,003	15,003
Due within one year		
Trade debtors	836,917	798,624
Amounts owed by group undertakings	1,054	1,054
Other debtors	57,000	53,000
Prepayments and accrued income	388,672	686,988
Tax recoverable	21,906	20,556
	<u>1,320,552</u>	<u>1,575,225</u>

7. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	1,557,977	1,437,767
	<u>1,557,977</u>	<u>1,437,767</u>

8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	205,546	177,330
Corporation tax	53,178	49,872
Other taxation and social security	351,590	524,719
Accruals and deferred income	787,263	975,999
	<u>1,397,577</u>	<u>1,727,920</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. At the year end there were no borrowings under this facility.

ABSOFIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

9. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>1,557,977</u>	<u>1,437,767</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

10. Deferred taxation

	2022 £
At beginning of year	5,347
Charged to profit or loss	<u>1,466</u>
At end of year	<u><u>6,813</u></u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	7,859	5,697
Short term timing differences	<u>(1,046)</u>	<u>(350)</u>
	<u><u>6,813</u></u>	<u><u>5,347</u></u>

11. Pension commitments

The company contributes to a defined contribution pension scheme. During the year £309,661 was paid into the scheme (2021 - £286,761). Contributions totaling £4,185 (2021 - £1,843) were payable to the fund at the balance sheet date and included in creditors.

12. Commitments under operating leases

At 30 April 2022 the Company had future minimum lease payments under non-cancellable operating leases totalling £123,336 (2021 - £277,005).

ABSOFIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

13. Related party transactions

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

Related party	Transaction	Balance due by director at year end	
		£	£
Director	Advances	4,000	57,000

The company has taken advantage of paragraph 33.1a of FRS102 (Related party disclosures) which allows exemption from disclosure of related party transactions with other group companies.