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ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

UNAUDITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

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ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The director's presents their report and the financial statements for the year ended 31 December 2014

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

This report was approved by the board on **28 May 2015** and signed on its behalf



S Parekh
Vice President and Chief Financial Officer

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

**CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE PREPARATION OF THE
UNAUDITED STATUTORY FINANCIAL STATEMENTS OF ACTIV FINANCIAL SYSTEMS INC (UK BRANCH
- BR008774)
FOR THE YEAR ENDED 31 DECEMBER 2014**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Activ Financial Systems Inc (UK Branch - BR008774) for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given to us

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/regulations

This report is made solely to the director of Activ Financial Systems Inc (UK Branch - BR008774) in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Activ Financial Systems Inc (UK Branch - BR008774) and state those matters that we have agreed to state to the director of Activ Financial Systems Inc (UK Branch - BR008774) in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Activ Financial Systems Inc (UK Branch - BR008774) and its director for our work or for this report.

It is your duty to ensure that Activ Financial Systems Inc (UK Branch - BR008774) has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the company's assets, liabilities, financial position and loss. You consider that Activ Financial Systems Inc (UK Branch - BR008774) is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Activ Financial Systems Inc (UK Branch - BR008774). 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.



Peters Elworthy & Moore

Chartered Accountants

Salisbury House
Station Road
Cambridge
CB1 2LA

1 June 2015

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER		3,266,822	3,228,520
Administrative expenses		<u>(4,707,919)</u>	<u>(4,308,879)</u>
OPERATING LOSS		(1,441,097)	(1,080,359)
Interest receivable and similar income		<u>857</u>	<u>12</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,440,240)	(1,080,347)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	5	<u>(1,440,240)</u>	<u>(1,080,347)</u>

The notes on pages 5 to 7 form part of these financial statements

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)
REGISTERED NUMBER: FC026751

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	2		107,083		62,428
CURRENT ASSETS					
Debtors	3	173,722		85,468	
Cash at bank		83,520		97,108	
			<u>257,242</u>	<u>182,576</u>	
CREDITORS . amounts falling due within one year	4	<u>(8,433,206)</u>		<u>(6,873,645)</u>	
NET CURRENT LIABILITIES			<u>(8,175,964)</u>		<u>(6,691,069)</u>
NET LIABILITIES			<u>(8,068,881)</u>		<u>(6,628,641)</u>
CAPITAL AND RESERVES					
Profit and loss account	5		<u>(8,068,881)</u>		<u>(6,628,641)</u>
DEFICIT			<u>(8,068,881)</u>		<u>(6,628,641)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28/05/15.


S Parekh
 Vice President and Chief Financial Officer

The notes on pages 5 to 7 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

L/Term Leasehold Property	-	7 years straight line
Fixtures & fittings	-	5 years straight line
Office equipment	-	3 years straight line
Computers	-	3 years straight line

1.3 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures & fittings £	Office equipment £	Computers £	
Cost					
At 1 January 2014	149,252	51,899	9,665	167,013	
Additions	-	-	450	77,440	
At 31 December 2014	149,252	51,899	10,115	244,453	
Depreciation					
At 1 January 2014	105,849	51,899	6,863	150,790	
Charge for the year	7,541	-	1,527	24,167	
At 31 December 2014	113,390	51,899	8,390	174,957	
Net book value					
At 31 December 2014	35,862	-	1,725	69,496	
At 31 December 2013	43,403	-	2,802	16,223	
					Total £
Cost					
At 1 January 2014				377,829	
Additions				77,890	
At 31 December 2014				455,719	
Depreciation					
At 1 January 2014				315,401	
Charge for the year				33,235	
At 31 December 2014				348,636	
Net book value					
At 31 December 2014				107,083	
At 31 December 2013				62,428	

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

3. DEBTORS

	2014 £	2013 £
Trade debtors	173,500	85,468
Other debtors	222	-
	<u>173,722</u>	<u>85,468</u>

4. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	93,860	81,280
Amounts owed to group undertakings	8,224,662	6,753,813
Other taxation and social security	34,578	3,403
Other creditors	80,106	35,149
	<u>8,433,206</u>	<u>6,873,645</u>

5. RESERVES

	Profit and loss account £
At 1 January 2014	(6,628,641)
Loss for the financial year	(1,440,240)
	<u>(8,068,881)</u>
At 31 December 2014	<u>(8,068,881)</u>

6. COMMITMENTS

During 2008 the company entered into a lease commitment. During the year ended 31 December 2013 the lease was re-negotiated and a new agreement was issued. The rent payable is £102,952 (2013: £102,952) per annum plus VAT, with the lease expiring on 27 September 2017. A refundable deposit of £44,595 plus VAT has been paid up front and is included within debtors at the year end.

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Page	2014 £	2013 £
TURNOVER	9	3,266,822	3,228,520
LESS: OVERHEADS			
Administration expenses	9	(4,707,919)	(4,308,879)
OPERATING LOSS		(1,441,097)	(1,080,359)
Interest receivable	10	857	12
LOSS FOR THE YEAR		(1,440,240)	(1,080,347)

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	£	£
TURNOVER		
Fees	1,853,559	1,762,913
Lease revenue	1,413,263	1,465,607
	<u>3,266,822</u>	<u>3,228,520</u>
	2014	2013
	£	£
ADMINISTRATION EXPENSES		
Staff salaries	1,987,992	1,780,850
Staff national insurance	245,717	211,993
Commissions payable	50,004	27,257
Staff welfare	61	-
Travel	26,503	16,817
Subsistence	8,762	6,123
Rates and utilities	55,272	29,585
Telephone	6,480	7,192
Office insurance	4,719	5,706
Recharge of US development salaries	41,487	23,235
Recharge of admin costs	60,604	30,924
Recharge of US direct costs	1,255,459	1,116,856
Office supplies	1,759	2,055
Equipment supplies	3,365	5,245
Shipping and postage	355	108
Miscellaneous	5,235	5,896
Bad debts	-	6,353
Professional services	11,000	5,591
Rent	131,312	292,218
Accountancy	2,674	3,145
Payroll services	1,540	1,832
Data and exchange access fees	211,682	183,589
Hosting	218,226	176,516
Profit/loss on sale of tangible assets	-	(960)
Comms distribution	184,571	205,944
Bank charges	462	555
Depreciation	33,235	35,877
Recruitment fees	21,000	21,000
Promotion and advertising	-	1,150
Comms data collection	137,443	100,444
Renovation and maintenance	1,000	5,783
	<u>4,707,919</u>	<u>4,308,879</u>

ACTIV FINANCIAL SYSTEMS INC (UK BRANCH - BR008774)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
INTEREST RECEIVABLE		
Bank interest receivable	8	12
Other interest receivable	849	-
	<u>857</u>	<u>12</u>