Company Registration Number: C37209

ABACUS CONSULTING CO. LTD

Annual Report

For the year ended 31 December 2018

Contents

General Information

Registration

Abacus Consulting Co. Ltd is registered in Malta as a limited liability company under the Companies Act, (Cap. 386) with registration number C 37209.

Director

Adrian Sciberras

Company secretary

Adrian Sciberras

Registered address:

Abacus Business Centre, Level 1,
Triq Dun Karm, B'Kara Bypass
Birkirkara BKR9037
Malta

Auditors

Busuttil and Micallef
Nr. 11, "L-Ufficcji"
Misrah 28 ta' Frar 1883
Birkirkara BKR1501
Malta

Director's Responsibilities

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- adopt the going concern basis unless it is inappropriate to presume that the company will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act (Cap. 386) enacted in Malta. This responsibility includes designing, implementing and maintaining such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The director is 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.

Independent Auditor's Report

To the Members of Abacus Consulting Co. Ltd

Report on the Audit of the Financial Statements

We have audited the financial statements of Abacus Consulting Co. Ltd, set out on pages 6 to 13, which comprise the balance sheet as at 31 December 2018, the income statement, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the balance sheet of the company as at 31 December 2018, and of its financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (GAPSME) and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the company generated a net profit of €7,277 during the year ended 31 December 2018 however, as of that date, the company's total liabilities exceeded its total assets by €8,728. As stated in note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The director is responsible for the other information. The other information comprises the Director's Report. Our opinion on the financial statements does not cover this information, and we do not express any form of assurance conclusion 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, 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 in this regard.

Independent Auditor's Report - continued

Responsibilities of the Director

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance with GAPSME, and for such internal control as the director 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report - continued

Auditor's Responsibilities for the Audit of the Financial Statements - continued

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) 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.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.

Hector Spiteri
Partner
For and on behalf of
Busuttil & Micallef
Certified Public Accountants

Nr. 11, "L-Ufficcji"
Misrah 28 ta' Frar 1883
Birkirkara BKR1501
Malta

16 April 2019

Income Statement

		Year ended 31 December	
	Note	**2018** €	2017 €
Revenue		**47,100**	44,680
Direct cost		**(33,340)**	(40,200)
Gross profit		**13,760**	4,480
Administrative expenses		**(2,565)**	(1,302)
Profit before tax	4	**11,195**	3,178
Income tax expense		**(3,918)**	(1,112)
Profit for the year		**7,277**	2,066

Balance Sheet

	Notes	As at 31 December 2018 €	2017 €
ASSETS			
Non-current assets			
Office equipment	5	**897**	-
Current assets			
Trade and other receivables	6	**18,069**	26,000
Cash and bank balances		**1,361**	579
		19,430	26,579
Total assets		**20,327**	26,579
EQUITY AND LIABILITIES			
Equity			
Share capital		**408**	408
Accumulated losses		**(9,136)**	(16,413)
		(8,728)	(16,005)
LIABILITIES			
Non-current liabilities			
Trade and other payables	7	**12,453**	32,687
Current liabilities			
Trade and other payables	7	**14,448**	8,785
Current tax liabilities		**2,154**	1,112
		16,602	9,897
Total equity and liabilities		**20,327**	26,579

The financial statements set out on pages 6 to 13 were approved and authorised for issue by the sole director on 16 April 2019.

Adrian Sciberras
Director

Notes to the Financial Statements

1 Going concern

During the year ended 31 December 2018, the company made a profit of €7,277 (2017: €2,066) however at the balance sheet date its liabilities exceeded its assets by €8,728 (2017: €16,005). These financial statements have been prepared on a going concern basis, on the basis of undertakings given by the company's shareholders to continue to provide financial support to the company in the foreseeable future.

2 Basis of preparation

2.1 Basis of measurement and statement of compliance

The financial statements of Abacus Consulting Co. Ltd have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2017 and the Schedule accompanying and forming an integral part of those Regulations (GAPSME). The financial statements have been prepared on the historical cost basis except for land and buildings which are stated at their revalued amount. These financial statements present information about the company as an individual undertaking

2.2 Functional and presentation currency

The financial statements are presented in Euro, which is the company's functional currency.

3 Significant accounting policies

3.1 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property, plant and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of property, plant and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property, plant and equipment may be carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses, or under the revaluation model, that is at their fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses.

3 Significant accounting policies – continued

3.1 Property, plant and equipment – continued

After initial recognition, land and buildings are carried under the revaluation model while other items of property, plant and equipment are carried under the cost model. Revaluations are made for the entire class of land and buildings at least every five years or with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) or the date that the asset is derecognised. The depreciation charge for each period is recognised in profit or loss.

Land is not depreciated. The rates of depreciation used for other items of property, plant and equipment are the following:

- Office equipment - 25% per annum straight line

Depreciation method, useful life and residual value

The depreciation method applied, the residual value and the useful life are reviewed on a regular basis and when necessary, revised with the effect of any changes in estimate being accounted for prospectively.

Derecognition of property, plant and equipment

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses arising from derecognition represent the difference between the net proceeds (if any) and the carrying amount and are included in profit or loss in the period of derecognition.

3.2 Financial assets, financial liabilities and equity

Trade and other receivables

Trade and other receivables are stated at their nominal value unless the effect of discounting is material in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence of impairment;

3 Significant accounting policies – continued

3.2 Financial assets, financial liabilities and equity – continued

Trade and other payables

Trade and other payables are stated at their nominal value unless the effect of discounting is material, in which case trade and other payables are measured at amortised cost using the effective interest method.

Share capital issued by the company

Ordinary shares issued by the company are classified as equity. Dividends to ordinary shareholders are debited directly to equity and are recognised as liabilities in the period in which they are declared.

3.3 Impairment

The company's financial assets are tested for impairment financial assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation decrease in accordance with the applicable Section in GAPSME.

The carrying amounts of the Company's assets are also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss previously recognised is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation increase in accordance with the applicable Section in GAPSME.

3.4 Cash and cash equivalents

Cash comprises of demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes.

3.5 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

3 Significant accounting policies – continued

3.5 Income taxes - continued

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The company recognises a deferred tax liability in respect of all taxable temporary differences and a deferred tax asset in respect of all deductible temporary differences except to the extent that such deferred tax liability arises from the initial recognition of goodwill or the deferred tax asset/liability arises from the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (loss). Recognition of a deferred tax asset is however limited to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The company re-assesses any unrecognised deferred tax asset at each balance sheet date to determine whether future taxable profit has become probable that allows the deferred tax asset to be recovered.

3.6 Income

Rendering of services

Income is recognised upon performance of service and is reported in the financial statements as revenue, net of VAT and discounts.

4 Profit before tax

Total remuneration paid to the company's auditors during the year amounts:

	2018	2017
	€	€
Audit fees	**1,200**	1,000

5 Property, plant and equipment

	Computer and electronic equipment
	€
Year ended 31 December 2018	
Opening net book amount	-
Additions	1196
Depreciation charge	(299)
Closing net book amount	897

6 Trade and other receivables

	2018	2017
	€	€
Trade receivables	4,956	-
Accrued income	12,900	-
VAT receivable	213	-
Amounts receivable from related party	-	26,000
	18,069	26,000

7 Trade and other payables

	2018	2017
	€	€
Non-current		
Amounts due to shareholder (Note)	12,453	32,687
Current		
Trade creditors	7,599	-
Accrued expenses	6,849	5,950
Other payables	-	2,836
	14,448	8,786

Note:
Amounts due to shareholder are unsecured, interest free and repayable on demand, however they are not expected to be settled within the next twelve months.

Administrative expenses

	2018	2017
	€	€
Advertising fees	**50**	245
Company registration fees	**100**	-
Office expense	**295**	-
Audit fees	**1,200**	1,000
Bank charges	**55**	57
Depreciation	**299**	-
Professional fees	**566**	-
Total administrative expenses	**2,565**	1,302