

ABC (IT) Services Limited

Annual Reports and financial statements

31 December 2013



Registered No: 02314463

Directors

S F Al Waary
W J Playle

Secretary

Gil Cohen - Appointed on 24th April 2014
M F Povey – Resigned on 8th May 2014

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

ABC International Bank plc – Appointed May 2014
1 – 5 Moorgate
London, EC2R 6AB

Coutts & Co - Account closed 20th May 2014
440 Strand
London WC2R 0QS

Registered Office

Arab Banking Corporation House
1-5 Moorgate
London EC2R 6AB

Directors' Report

The directors present their reports and financial statements for ABC (IT) Services Limited ("the Company") for the year ended 31 December 2013.

Principal activities

During the year the Company's main activity was to support ABC (B.S.C) and subsidiaries (the ABC group) for information technology requirements and system projects. The Company is expected to continue in this capacity for the foreseeable future.

The Company's immediate parent undertaking is ABC Group (UK) Holdings Limited which is registered in England.

Results and dividends

The results of the Company for the year are set out in the profit and loss account on page 7. The Company has continued to make a profit in the current year with turnover amounting to £1,051,538 (2012: £1,019,946). The directors do not recommend the payment of a dividend (2012 - £Nil).

The directors do not rely on key performance indicators to monitor the business. The business is managed by monitoring the business' performance against budget, which is performed on a monthly basis. Principal risks and uncertainties affecting the Company are considered at the ultimate parent company level (ABC (B.S.C)).

It is the Company's policy to pay suppliers in accordance with the terms and conditions agreed with them.

Going concern

The financial statements of ABC (IT) Services Limited have been prepared on the going concern basis.

In forming the opinion that the Company will continue as a going concern for a period of at least 12 months from the signing of the financial statements, the Directors have considered; the underlying purpose of the Company, in providing support functions to the ABC Group, the sources of funding available to the Company, its obligations forecast to fall due within 12 months of signing the financial statements and the ability of ABC Group to support the Company. Consequently, it is considered appropriate to prepare the financial statements on the going concern basis.

Directors

The directors who served during the year were S F Al Waary and W J Playle. They did not have any interest in the shares of the Company during the year.

The directors benefitted from a qualifying third party indemnity provision in place during the financial year and at the date of this report.

Directors' Report

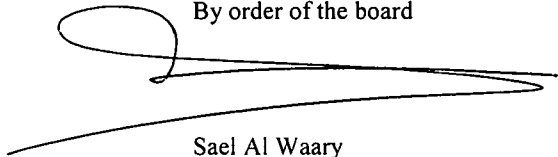
Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The company has elected not to make an annual appointment of auditors. Accordingly Ernst & Young LLP are deemed to be reappointed in accordance with section 487 (2) of the Companies Act 2006

By order of the board



Sael Al Waary
Director

8 AUGUST 2014

Strategic Report

Review of the business

In 2013 profit on ordinary activities before tax increased from £101,069 to £112,067 as a result of higher turnover.

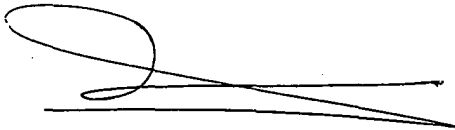
Net assets increased to £805,864 from £695,623 in 2012.

The business is managed by monitoring the business' performance against budget, which is performed on a monthly basis.

The Company is an information technology and system projects company that support ABC (B.S.C) and subsidiaries (the ABC group).

Principal risk and uncertainties

Principal risks and uncertainties affecting the Company are considered at the ultimate parent company level ABC (B.S.C).



Sael Al Waary
Director

Statement of directors' responsibilities

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). 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 and then apply them consistently;
- Make judgements and 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; 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABC (IT) SERVICES LIMITED

We have audited the financial statements of ABC (IT) Services Limited (the "Company") for the year ended 31 December 2013, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report, the Strategic Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- ▶ Give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- ▶ Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Peter Wallace (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

15th August 2014

Profit and loss account

for the year ended 31 December 2013

	<i>Notes</i>	<i>2013</i>	<i>2012</i>
		<i>£</i>	<i>£</i>
<i>Turnover</i>	3	1,051,538	1,019,946
Administrative expenses		(947,870)	(932,250)
Other operating expense	4	(33)	(783)
<i>Operating profit</i>	5	<u>103,635</u>	<u>86,913</u>
<i>Interest receivable</i>			
From ABC Group undertakings		7,847	13,731
Other interest receivable		585	925
<i>Profit on ordinary activities before taxation</i>		<u>112,067</u>	<u>101,569</u>
Taxation	8	(1,826)	33,340
<i>Profit on ordinary activities after taxation</i>	14	<u><u>110,241</u></u>	<u><u>134,909</u></u>

Recognised gains and losses

A statement of total recognised gains and losses has not been included as there were no recognised gains or losses for the current or previous financial year other than those already dealt with in the profit and loss account.

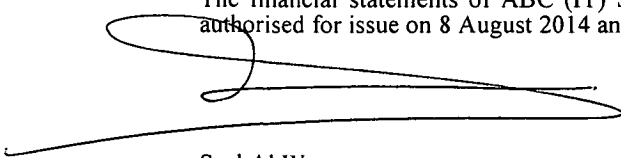
The results for the years ended 31st December 2013 and 31st December 2012 are derived from continuing operations.

Balance sheet

at 31 December 2013

	<i>Notes</i>	<i>2013</i>	<i>2012</i>
		<i>£</i>	<i>£</i>
<i>Non current assets</i>			
Tangible fixed assets	9	–	–
Deferred tax asset	11	5,307	7,133
		<u>5,307</u>	<u>7,133</u>
<i>Current assets</i>			
Cash at bank and in hand		65,243	37,090
Debtors	10	950,374	857,027
		<u>1,015,617</u>	<u>894,117</u>
<i>Creditors: amounts falling due within one year</i>	12	(215,060)	(205,627)
<i>Net current assets</i>		<u>800,557</u>	<u>688,490</u>
<i>Net assets</i>		<u>805,864</u>	<u>695,623</u>
<i>Capital and reserves</i>			
Called up share capital	13	10	10
Profit and loss account	14	805,854	695,613
<i>Equity shareholder's funds</i>	15	<u>805,864</u>	<u>695,623</u>

The financial statements of ABC (IT) Services Limited were approved by the board of directors and authorised for issue on 8 August 2014 and were signed on its behalf by:-


Sael Al Waary
Director

Notes to the accounts

at 31 December 2013

1. Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are prepared in accordance with the Companies Act 2006 and United Kingdom Generally Accepted Accounting Standards. The accounting policies adopted are consistent with those used in the previous financial year.

The financial statements have been prepared on the going concern basis as the ultimate parent company, Arab Banking Corporation (B.S.C.), has undertaken to provide the necessary finance to enable the Company to meet its obligations as they fall due.

2. Accounting policies

Turnover

Turnover represents the amounts derived from the provision of Information Technology related services which fall within the Company's ordinary activities. Turnover is stated net of VAT, trade discounts and any other taxes based on turnover. Revenue is recognised when services are provided.

The Company operates in only one principal area of activity that of Information Technology related services. The Company operates within two geographical markets, the United Kingdom and Overseas.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over the expected useful life as follows:

Office equipment	- 3 years
Furniture and fittings	- 5 years

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable at least annually.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. Exchange gains or losses are taken to the profit and loss account.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Debtors

Debtors, which generally have 30 to 90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Notes to the accounts

at 31 December 2013

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

In assessing the recoverability of deferred tax assets, management considers forecast profits.

Creditors

Accruals are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Pension benefits

The Company participates in a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Operating lease commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Cash flow statement

There is no requirement to prepare a statement of cash flows in accordance with Financial Reporting Standard 1.

3. Turnover

Turnover of £684,828 (2012: £664,905) was levied outside the United Kingdom. Turnover relates to one continuing activity, to support the ABC group for information technology requirements and system projects, and is stated net of VAT.

	2013	2012
	£	£
United Kingdom:		
ABC Group undertakings	366,710	355,041
Overseas:		
ABC Group undertakings	684,828	664,905
	<u>1,051,538</u>	<u>1,019,946</u>

4. Other operating expense

	2013	2012
	£	£
Foreign exchange loss	(33)	(783)
	<u>(33)</u>	<u>(783)</u>

Notes to the accounts

at 31 December 2013

5. Operating profit

Operating profit is stated after charging:

	2013	2012
	£	£
Depreciation of tangible fixed assets	–	–
Auditor's remuneration:		
Audit services	4,164	4,164
Non-audit services - taxation	6,000	(2,950)
Staff costs - (note 6)	770,829	765,718
Hire of plant and machinery	1,400	1,628
Other operating lease expense:		
Land and buildings	64,400	64,400
	<u>770,829</u>	<u>765,718</u>

6. Staff costs

(a) The monthly average number of persons employed by the Company (excluding Directors) during the year is analysed below:

	2013	2012
	No.	No.
Systems	5	5
Administration	1	1
	<u>6</u>	<u>6</u>

(b) Employment costs of all employees included above comprise:

	2013	2012
	£	£
Wages and salaries	637,698	634,341
Social security costs	72,654	74,332
Other pension costs	60,477	57,045
	<u>770,829</u>	<u>765,718</u>

Other pension costs in the current year include £22,810 (2012: £20,280) in relation to salaries exchanged by employees, paid by the Company to a defined contribution scheme.

7. Directors' remuneration

The aggregate remuneration of the Directors of the Company for the year was:

	2013	2012
	£	£
Aggregate remuneration in respect of qualifying services	<u>13,628</u>	<u>14,824</u>
In respect of the highest paid Director:		
Aggregate remuneration in respect of qualifying services	<u>13,628</u>	<u>10,382</u>

Notes to the accounts

at 31 December 2013

8. Taxation

(a) Tax on profit on ordinary activities:

	2013 £	2012 £
UK Corporation tax	–	–
Adjustment in respect of previous periods	–	35,719
Total current tax	–	35,719
Deferred tax:		
Originating timing differences	(1,826)	(2,379)
Total tax charge for the year	(1,826)	33,340

(b) Reconciliation of tax on profit for the year:

	2013 £	2012 £
Profit on ordinary activities before tax	112,067	101,569
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	(26,056)	(24,882)
Effect of:		
Disallowed expenses and non-taxable income	–	–
Group relief claimed	25,313	23,157
Capital allowances in excess of depreciation	1,041	1,725
Expenses not deductible for tax purposes	(298)	–
Adjustment in respect of previous periods	–	35,719
Current tax	–	35,719

9. Tangible fixed assets

	<i>Office equipment</i> £	<i>Furniture and fittings</i> £	<i>Total</i>
Cost:			
At 1 January 2013	4,456	3,833	8,289
At 31 December 2013	4,456	3,833	8,289
Depreciation:			
At 1 January 2013	4,456	3,833	8,289
At 31 December 2013	4,456	3,833	8,289
Net book value:			
At 31 December 2013 and 31 December 2012	–	–	–

Notes to the accounts

at 31 December 2013

10. Debtors

	2013	2012
	£	£
Amounts falling due within one year:		
Amounts owed by holding and group companies	900,071	823,519
Other debtors	26,793	30,906
Prepayments and accrued income	23,510	2,602
	<u>950,374</u>	<u>857,027</u>

11. Deferred tax asset

	2013	2012
	£	£
Balance at 1 January	7,133	9,512
Recognised during the year	(1,826)	(2,379)
Balance at 31 December	<u>5,307</u>	<u>7,133</u>
The major components of the deferred tax asset are as follows:		
Capital allowances in excess of depreciation	6,169	7,306
Effect of tax rate change on opening balance	(862)	(173)
	<u>5,307</u>	<u>7,133</u>

At the year end, the Company has capital losses of £974,272 (2012: £974,272) on which no deferred tax is recognised. This is due to uncertainty surrounding the availability of taxable profits against which these could be offset. The total deferred tax asset unrecognised at the year end is £194,854 based on the corporate tax rate of 20% (2012: £224,083 based on the corporate tax rate of 23%).

12. Creditors: amounts falling due within one year

	2013	2012
	£	£
Creditors and accruals	183,993	174,483
Amounts owed to ABC Group undertakings	7,215	13,585
Other taxation and social security	23,852	17,559
	<u>215,060</u>	<u>205,627</u>

Notes to the accounts

at 31 December 2013

13. Allotted and called up share capital

	2013	2012
	£	£
Authorised: Ordinary shares of £10 each	10	10
	<u>10</u>	<u>10</u>

14. Movements on reserves

	2013	2012
	£	£
Balance at 1 January	695,613	560,704
Profit for the year	110,241	134,909
Balance at 31 December	<u>805,854</u>	<u>695,613</u>

15. Reconciliation of movement in shareholder's funds

	2013	2012
	£	£
Opening shareholder's funds	695,623	560,714
Profit for the year	110,241	134,909
Closing shareholder's funds	<u>805,864</u>	<u>695,623</u>

16. Commitments

At 31 December 2013 the Company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	2012	2012	2011	2011
	£	£	£	£
Within one year	64,400		64,400	1,400
Between one and five years	–	1,400	–	–
	<u>64,400</u>	<u>1,400</u>	<u>64,400</u>	<u>1,400</u>

17. Pension scheme

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company, in an independently administered fund.

Notes to the accounts

at 31 December 2013

The pension cost charged to the profit and loss account represents contributions payable to the fund and amounts to £60,477 (2012: £57,045). There are no contributions (2012: Nil) payable to the fund at the year end.

18. Related party transactions

The Company is wholly owned by its parent undertaking and as such has taken advantage of the exemption given in paragraph 3(c) of Financial Reporting Standard 8 to subsidiaries from disclosing related party transactions with other group companies.

The directors are unaware of any other related party transactions requiring disclosure.

19. Ultimate parent company

The Company's immediate parent undertaking is ABC Group (UK) Holdings Limited which is registered in England. ABC Group (UK) Holdings Limited has included the Company in its group accounts, copies of which are available from Arab Banking Corporation House, 1-5 Moorgate, London EC2R 6AB.

The ultimate parent company is Arab Banking Corporation (B.S.C.), a company incorporated in Bahrain. Copies of the group accounts may be obtained from Arab Banking Corporation House, 1-5 Moorgate, London EC2R 6AB.