

10/10/19 to 10/10/20  
30/10/19 to 30/10/20

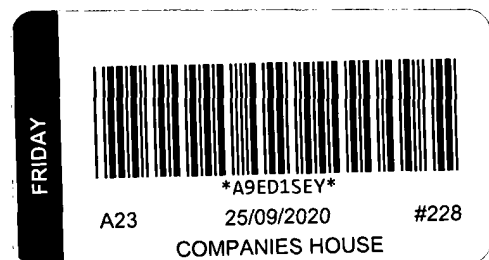
Registration number: 10135038

# Abacus Direct Properties Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019

Murray Harcourt Limited  
6 Queen Street  
Leeds  
West Yorkshire  
LS1 2TW



# **Abacus Direct Properties Limited**

## **Company Information**

<b>Directors</b>	S P Bradbury I D Pattison
<b>Registered office</b>	Abacus House Jubilee Court Copgrove Harrogate North Yorkshire HG3 3TB
<b>Auditors</b>	Murray Harcourt Limited 6 Queen Street Leeds West Yorkshire LS1 2TW

# Abacus Direct Properties Limited

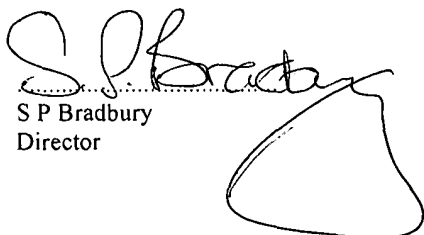
(Registration number: 10135038)  
Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investment property	4	4,357,560	5,867,151
<b>Current assets</b>			
Debtors	5	115,366	306,374
Cash at bank and in hand		<u>76,549</u>	<u>-</u>
		191,915	306,374
<b>Creditors: Amounts falling due within one year</b>	6	<u>(2,428,821)</u>	<u>(2,653,179)</u>
<b>Net current liabilities</b>		<u>(2,236,906)</u>	<u>(2,346,805)</u>
<b>Total assets less current liabilities</b>		2,120,654	3,520,346
<b>Creditors: Amounts falling due after more than one year</b>	6	(1,345,361)	(2,908,230)
<b>Provisions for liabilities - deferred tax</b>		<u>(9,910)</u>	<u>(7,649)</u>
<b>Net assets</b>		<u><u>765,383</u></u>	<u><u>604,467</u></u>
<b>Capital and reserves</b>			
Called up and fully paid share capital		100	100
Profit and loss account		<u>765,283</u>	<u>604,367</u>
<b>Total equity</b>		<u><u>765,383</u></u>	<u><u>604,467</u></u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the profit and loss account has been taken.

Approved and authorised by the Board on 17/1/20 and signed on its behalf by:

  
S P Bradbury  
Director

# **Abacus Direct Properties Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **1 General information**

The Company is a private company limited by share capital incorporated in England and Wales. Company information details are shown on page 1. The principal activity of the Company during the period was that of a property management company.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention modified by the revaluation of investment properties and in accordance with the Companies Act 2006.

The financial statements are presented in Pounds Sterling (£), which is the functional currency of the Company, and rounded to the nearest £1.

#### **Going concern**

The Directors have considered the going concern basis of preparation of the financial statements.

The company holds a property portfolio which it rents to other companies and uses these rental receipts to meet its borrowing obligations. Whilst the Covid-19 pandemic presents a greater level of risk, since lockdown may impact adversely on these lessee companies, the Directors have assessed the viability of these businesses and concluded that the risk of non-payment of rent going forward is minimal. The Directors have also taken steps to reduce the company's outgoing cash commitments in case of any unforeseen rental voids.

Whilst some uncertainty exists over the possibility of a re-emergence of the Covid-19 virus and potential subsequent lockdown restrictions, the steps taken as described above mean that the Directors are confident that the business can pay its debts as they fall due over the next 12 months.

On the basis of the above the Directors have prepared the financial statements on a going concern basis.

#### **Audit report**

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 21/9/20 was Steven Williams, who signed for and on behalf of Murray Harcourt Limited.

#### **Revenue recognition**

Turnover comprises rental income, and is recognised as it falls due under the related contract.

#### **Tax**

Current income tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

## **Abacus Direct Properties Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **2 Accounting policies (continued)**

Deferred tax is recognised on timing differences between taxable profits and profits reported in the financial statements. Deferred tax is recognised on all timing differences at the reporting date and is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Investment property**

Investment property is carried at fair value, derived from the current market prices for comparable real estate, using observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

## Abacus Direct Properties Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 2 Accounting policies (continued)

##### Dividends

Dividend distribution to the Company's shareholders is recognised in the financial statements in the reporting period in which the dividends are paid.

##### Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement. Equity instruments are those that entitle the holder to a residual interest in the Company's assets after deducting all of its liabilities.

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary and preference shares, which are measured at fair value provided that this can be measured reliably. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

#### 3 Staff numbers

The average number of staff employed by the company during the period was Nil (2017 - Nil).

#### 4 Investment properties

	2019 £
As at 1 January	5,867,151
Additions	33,760
Disposals	(1,454,172)
Fair value adjustments	(89,179)
As at 31 December	<u>4,357,560</u>

The Directors commissioned a valuation of property by an independent valuer, Knight Frank, effective as at 18 October 2019.

Following this valuation, an impairment charge of £89,179 was recorded in the financial statements.

#### 5 Debtors

	2019 £	2018 £
Trade debtors	-	4,000
Amounts owed by group undertakings	-	302,374
Other debtors	115,366	-
	<u>115,366</u>	<u>306,374</u>

# **Abacus Direct Properties Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **6 Creditors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Loans and borrowings	145,639	216,174
Trade creditors	1,080	60
Amounts owed to group undertakings	324,320	59,120
Taxation and social security	97,066	75,467
Other creditors	<u>1,860,716</u>	<u>2,302,358</u>
	<u>2,428,821</u>	<u>2,653,179</u>
<b>Due after one year</b>		
Loans and borrowings	<u>1,345,361</u>	<u>2,908,230</u>

## Abacus Direct Properties Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 7 Loans and borrowings

	2019 £	2018 £
<b>Current loans and borrowings</b>		
Bank borrowings	145,639	206,320
Bank overdrafts	-	9,854
	<u>145,639</u>	<u>216,174</u>
	2019 £	2018 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	<u>1,345,361</u>	<u>2,908,230</u>

#### Bank borrowings

The bank borrowings, amounting to £1,491,000, are denominated in Sterling and repayable in equal monthly instalments, with final repayment due in 2024. Interest is charged at 1.75% above base rate. The amount due after more than five years is £Nil (2018 - £2,030,063).

The loan is secured by a first legal charge over the freehold land and buildings held by the Company. It is also secured by a debenture including fixed and floating charges over all assets of the Company present and future.

#### 8 Financial commitments, guarantees and contingencies

The Company has provided a cross guarantee to secure borrowings of other related parties. As at 31 December 2019, the net borrowings secured by the cross guarantee amounted to £2,656,446 (2018 - £Nil).

#### 9 Related party transactions

The Company has taken the exemption set out in FRS 102 from disclosing transactions with wholly owned group members.

#### 10 Parent and ultimate parent undertaking

The Company's immediate and ultimate parent is Abacus Direct Properties Holdings, incorporated in the United Kingdom.

The address of Abacus Direct Properties Holdings Limited is:  
Abacus House, Jubilee Court, Copgrove, Harrogate, North Yorkshire, HG3 3TB.