

Company Registration No. 12283155 (England and Wales)

**ABACUS DIRECT GROUP HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**COMPANY INFORMATION**

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<b>Director</b>	Mr I D Pattison
<b>Company number</b>	12283155
<b>Registered office</b>	Abacus House Jubilee Court Copp Grove Harrogate North Yorkshire HG3 3TB
<b>Auditor</b>	TC Group 6 Queen Street Leeds West Yorkshire LS1 2TW

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**ABACUS DIRECT GROUP HOLDINGS LIMITED**

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**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The director presents the strategic report for the year ended 31 December 2022.

**Fair review of the business**

In January 2020, the group acquired the Abacus Direct Holdings Limited and its two trading subsidiaries, Abacus Direct Limited and LFZ Manufacturing Limited. These consolidated accounts incorporate the post-acquisition results of the acquired group.

Trading conditions for the acquired business were strong over the period, with growth continuing to come from key customers and diversification. The business continues to invest in technology to improve manufacturing processes and increase efficiency with a view to grow revenue as well as profit in the future. The group's strategic alliance with a number of its key customers continues to positively impact the groups results.

The Group's key financial performance indicators during the year were as follows:

Unit 2022 2021

Turnover £ 19,343,819 18,031,566

Operating profit £ 1,346,997 2,416,065

**Principal risks and uncertainties**

The principal risks identified are credit risk, foreign exchange risk and liquidity risk. Further details regarding these risks and the measures taken to mitigate their impact is provided in the Directors' Report.

In addition, the current economic climate, the Covid-19 pandemic and the impact of the UK's exit from the EU create uncertainty and could potentially impact on the level of disposable income and global raw material costs. The directors will continue to closely monitor the position, in order to ensure that the Company is well placed to take advantage of any opportunities that may arise.

On behalf of the board

Mr I D Pattison

**Director**

28 September 2023

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**DIRECTOR'S REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The director presents his annual report and financial statements for the year ended 31 December 2022.

**Principal activities**

The principal activity of the Company is that of a holding company. The principal activity of the Group is that of the distribution and manufacture of bathroom equipment.

**Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The director does not recommend payment of a further dividend.

**Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr I D Pattison

**Auditor**

The auditor, TC Group, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Statement of disclosure to 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 of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr I D Pattison

**Director**

28 September 2023

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF ABACUS DIRECT GROUP HOLDINGS LIMITED**

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**Opinion**

We have audited the financial statements of Abacus Direct Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of the group's 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF ABACUS DIRECT GROUP HOLDINGS LIMITED**

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**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for 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. In preparing the financial statements, the director is responsible for assessing the parent 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.



**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF ABACUS DIRECT GROUP HOLDINGS LIMITED**

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**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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**Extent to which the audit was capable of detecting irregularities, including fraud**

The objectives of our audit, in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes.

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF ABACUS DIRECT GROUP HOLDINGS LIMITED**

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Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect all non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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.

**Steven Williams(Senior Statutory Auditor)**

**For and on behalf of TC Group**

28 September 2023

**Statutory Auditor**

6 Queen Street  
Leeds  
West Yorkshire  
LS1 2TW

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**GROUP PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	19,343,818	18,196,396
Cost of sales		(13,136,366)	(11,066,032)
<b>Gross profit</b>		6,207,452	7,130,364
Administrative expenses		(5,008,546)	(5,010,172)
Other operating income		148,091	295,873
<b>Operating profit</b>	<b>4</b>	1,346,997	2,416,065
Interest receivable and similar income	<b>7</b>	1,372	532
Interest payable and similar expenses	<b>8</b>	(152,534)	(80,631)
<b>Profit before taxation</b>		1,195,835	2,335,966
Tax on profit	<b>9</b>	(26,352)	(494,061)
<b>Profit for the financial year</b>	<b>22</b>	1,169,483	1,841,905

Profit for the financial year is all attributable to the owners of the parent company.

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**GROUP STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	1,169,483	1,841,905
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>1,169,483</u>	<u>1,841,905</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

ABACUS DIRECT GROUP HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	10		41,820		47,795
Other intangible assets	10		108,864		100,212
Total intangible assets			150,684		148,007
Tangible assets	11		5,072,775		5,190,511
			5,223,459		5,338,518
<b>Current assets</b>					
Stocks	14	7,785,946		6,429,883	
Debtors	15	2,579,046		2,720,872	
Cash at bank and in hand		728,216		710,071	
			11,093,208		9,860,826
<b>Creditors: amounts falling due within one year</b>					
	16	(5,103,029)		(4,863,149)	
<b>Net current assets</b>			5,990,179		4,997,677
<b>Total assets less current liabilities</b>			11,213,638		10,336,195
<b>Creditors: amounts falling due after more than one year</b>					
	17		(3,783,876)		(4,066,706)
<b>Provisions for liabilities</b>					
Deferred tax liability	19	238,261		247,471	
			(238,261)		(247,471)
<b>Net assets</b>			7,191,501		6,022,018
<b>Capital and reserves</b>					
Called up share capital	21		2,750,001		2,750,001
Profit and loss reserves	22		4,441,500		3,272,017
<b>Total equity</b>			7,191,501		6,022,018

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**GROUP BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2022***

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The financial statements were approved and signed by the director and authorised for issue on 28 September 2023

Mr I D Pattison  
**Director**

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**COMPANY BALANCE SHEET**

**AS AT 31 DECEMBER 2022**

		<b>2022</b>		<b>2021</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Investments	<b>12</b>		5,527,500		5,527,500
<b>Current assets</b>					
Cash at bank and in hand		1		1	
<b>Creditors: amounts falling due within one year</b>					
	<b>16</b>	(122,100)		(262,167)	
<b>Net current liabilities</b>			(122,099)		(262,166)
<b>Total assets less current liabilities</b>			5,405,401		5,265,334
<b>Creditors: amounts falling due after more than one year</b>					
	<b>17</b>	(1,845,000)		(1,955,000)	
<b>Net assets</b>			3,560,401		3,310,334
<b>Capital and reserves</b>					
Called up share capital	<b>21</b>		2,750,001		2,750,001
Profit and loss reserves	<b>22</b>		810,400		560,333
<b>Total equity</b>			3,560,401		3,310,334

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £250,067 (2021 - £22,000 loss).

The financial statements were approved and signed by the director and authorised for issue on 28 September 2023

Mr I D Pattison  
**Director**

**Company Registration No. 12283155**

ABACUS DIRECT GROUP HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2021	2,750,001	1,430,112	4,180,113
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	1,841,905	1,841,905
Balance at 31 December 2021	2,750,001	3,272,017	6,022,018
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	1,169,483	1,169,483
Balance at 31 December 2022	2,750,001	4,441,500	7,191,501



**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2021</b>	2,750,001	582,333	3,332,334
<b>Year ended 31 December 2021:</b>			
Loss and total comprehensive income for the year	-	(22,000)	(22,000)
<b>Balance at 31 December 2021</b>	2,750,001	560,333	3,310,334
<b>Year ended 31 December 2022:</b>			
Profit and total comprehensive income for the year	-	250,067	250,067
<b>Balance at 31 December 2022</b>	2,750,001	810,400	3,560,401

ABACUS DIRECT GROUP HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	28	1,780,216	565,042
Interest paid		(152,534)	(80,631)
Income taxes paid		(445,058)	(190,855)
<b>Net cash inflow from operating activities</b>		<u>1,182,624</u>	<u>293,556</u>
<b>Investing activities</b>			
Purchase of intangible assets		(70,500)	-
Purchase of tangible fixed assets		(676,599)	(1,222,496)
Interest received		1,372	532
<b>Net cash used in investing activities</b>		<u>(745,727)</u>	<u>(1,221,964)</u>
<b>Financing activities</b>			
Repayment of borrowings		(206,816)	877,875
Repayment of bank loans		(211,936)	(150,140)
<b>Net cash (used in)/generated from financing activities</b>		<u>(418,752)</u>	<u>727,735</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>18,145</u>	<u>(200,673)</u>
Cash and cash equivalents at beginning of year		<u>710,071</u>	<u>910,744</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>728,216</u></u>	<u><u>710,071</u></u>

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1 Accounting policies**

**Company information**

Abacus Direct Group Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Abacus House, Jubilee Court, Copgrove, Harrogate, North Yorkshire, HG3 3TB.

The group consists of Abacus Direct Group Holdings Limited and all of its subsidiaries.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**1.2 Business combinations**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1 Accounting policies**

**(Continued)**

**1.3 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company Abacus Direct Group Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

**1.4 Going concern**

At the time of approving the financial statements, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

**1.5 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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**1 Accounting policies**

**(Continued)**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**1.6 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

**1.7 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

**1.8 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	20% straight line
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**1.9 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**1 Accounting policies**

**(Continued)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	10% straight line
Showroom	20% straight line
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Computers	33% straight line
Motor vehicles	25% straight line
Office equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

**1.10 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

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**1 Accounting policies**

**(Continued)**

**1.11 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.12 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.13 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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**1 Accounting policies**

**(Continued)**

**1.14 Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.



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**1 Accounting policies**

**(Continued)**

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

**1.15 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

**1.16 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.17 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.18 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.19 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**1 Accounting policies (Continued)**

**1.20 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**1.21 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**2 Judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Turnover and other revenue**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by class of business</b>		
Sale of goods	19,343,818	18,031,566
	<u>19,343,818</u>	<u>18,031,566</u>
<b>Analysis per statutory database</b>	<b>19,343,818</b>	<b>18,031,566</b>
<b>Statutory database analysis does not agree to the trial balance by:</b>	<b>-</b>	<b>164,830</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by geographical market</b>		
United Kingdom	19,343,818	18,031,566
	<u>19,343,818</u>	<u>18,031,566</u>
<b>Analysis per statutory database</b>	<b>19,343,818</b>	<b>18,031,566</b>
<b>Statutory database analysis does not agree to the trial balance by:</b>	<b>-</b>	<b>164,830</b>

ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue	(Continued)	
	2022	2021
	£	£
<b>Other significant revenue</b>		
Interest income	1,372	532
Grants received	6,894	98,487
Rental income	129,492	129,408
	<u>          </u>	<u>          </u>
<b>4 Operating profit</b>	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	66,915	(184,759)
Government grants	(6,894)	(98,487)
Depreciation of owned tangible fixed assets	794,335	721,095
Amortisation of intangible assets	67,823	56,081
Operating lease charges	389,946	374,201
	<u>          </u>	<u>          </u>
<b>5 Auditor's remuneration</b>	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	33,200	18,200
	<u>          </u>	<u>          </u>

ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

**6 Employees**

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Administration and support	13	12	1	1
Sales	20	18	-	-
Distribution	32	29	-	-
Other departments	10	11	-	-
Total	75	70	1	1

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	2,116,706	2,016,498	-	-
Social security costs	220,653	197,716	-	-
Pension costs	42,827	40,642	-	-
	2,380,186	2,254,856	-	-

**7 Interest receivable and similar income**

	2022 £	2021 £
Interest income		
Other interest income	1,372	532

ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Interest payable and similar expenses

	2022	2021
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	141,848	58,532
Other interest on financial liabilities	9,533	22,000
	<u>151,381</u>	<u>80,532</u>
<b>Other finance costs:</b>		
Other interest	1,153	99
	<u>152,534</u>	<u>80,631</u>

9 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	169,521	343,433
Adjustments in respect of prior periods	(133,959)	-
	<u>35,562</u>	<u>343,433</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(9,210)	150,628
	<u>26,352</u>	<u>494,061</u>

ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	1,195,835	2,335,966
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	227,209	443,834
Tax effect of expenses that are not deductible in determining taxable profit	6,168	4,612
Tax effect of income not taxable in determining taxable profit	(8,311)	(18,379)
Effect of change in corporation tax rate	(3,669)	58,183
Group relief	(5,643)	-
Permanent capital allowances in excess of depreciation	60,972	85,886
Research and development tax credit	(113,864)	(16,550)
Under/(over) provided in prior years	(120,942)	(65,549)
Deferred tax adjustments in respect of prior years	-	814
Effect of super deduction	(15,568)	1,210
Taxation charge	26,352	494,061

10 Intangible fixed assets

Group	Goodwill	Development costs	Total
	£	£	£
<b>Cost</b>			
At 1 January 2022	59,745	250,530	310,275
Additions	-	70,500	70,500
At 31 December 2022	59,745	321,030	380,775
<b>Amortisation and impairment</b>			
At 1 January 2022	11,950	150,318	162,268
Amortisation charged for the year	5,975	61,848	67,823
At 31 December 2022	17,925	212,166	230,091

ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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<b>10</b>	<b>Intangible fixed assets</b>			<b>(Continued)</b>
	<b>Carrying amount</b>			
	At 31 December 2022	41,820	108,864	150,684
		<u>          </u>	<u>          </u>	<u>          </u>
	At 31 December 2021	47,795	100,212	148,007
		<u>          </u>	<u>          </u>	<u>          </u>

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.



ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets

Group	Freehold land and buildings	Showroom	Plant and fixtures and fittings	Computers	Motor vehicles	Office equipment	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 January 2022	6,657,056	422,741	1,137,111	100,985	194,668	79,820	8,741,867
Additions	566,712	-	9,129	-	99,180	1,578	676,599
At 31 December 2022	7,223,768	422,741	1,146,240	100,985	293,848	81,398	9,418,466
<b>Depreciation and impairment</b>							
At 1 January 2022	2,303,111	375,889	580,639	61,051	82,986	69,235	3,551,356
Depreciation charged in the year	502,826	40,615	175,701	20,592	41,194	4,075	794,335
At 31 December 2022	2,805,937	416,504	756,340	81,643	124,180	73,310	4,345,691
<b>Carrying amount</b>							
At 31 December 2022	4,417,831	6,237	389,900	67,843	169,668	8,088	5,072,775
At 31 December 2021	4,353,945	46,852	556,472	88,435	111,682	10,585	5,190,511

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	13	-	-	5,527,500	5,527,500

Movements in fixed asset investments

Company

Shares in  
subsidiaries  
£

Cost or valuation

At 1 January 2022 and 31 December 2022

5,527,500

Carrying amount

At 31 December 2022

5,527,500

At 31 December 2021

5,527,500

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Abacus Direct Holdings Limited	Abacus House, Jubilee Court, Copgrove, Harrogate, HG3 3TB	Ordinary	100.00
Abacus Direct Limited	Abacus House, Jubilee Court, Copgrove, Harrogate, HG3 3TB	Ordinary	100.00
LFZ Manufacturing Limited	Abacus House, Jubilee Court, Copgrove, Harrogate, HG3 3TB	Ordinary	100.00

The holdings of Abacus Direct Limited and LFZ Manufacturing Limited are indirectly held.

Subsidiary undertakings

*Abacus Direct Holdings Limited*

The principal activity of Abacus Direct holdings Limited is that of a holding company.

ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	143,603	139,133	-	-
Finished goods and goods for resale	7,642,343	6,290,750	-	-
	<u>7,785,946</u>	<u>6,429,883</u>	<u>-</u>	<u>-</u>

Closing stock is stated after provisions for impairment of £217,892 (2021 - £217,892).

15 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	2,185,823	2,536,928	-	-
Corporation tax recoverable	71,307	-	-	-
Other debtors	73,489	63,252	-	-
Prepayments and accrued income	248,427	120,692	-	-
	<u>2,579,046</u>	<u>2,720,872</u>	<u>-</u>	<u>-</u>

16 Creditors: amounts falling due within one year

		Group 2022 £	2021 £	Company 2022 £	2021 £
	Notes				
Bank loans	18	199,064	238,170	-	-
Other borrowings	18	1,369,634	1,466,450	110,000	110,000
Trade creditors		2,160,342	1,844,816	-	-
Amounts owed to group undertakings		-	-	-	132,000
Corporation tax payable		74,249	412,438	-	-
Other taxation and social security		587,015	379,165	-	-
Other creditors		282,800	207,141	-	-
Accruals and deferred income		429,925	314,969	12,100	20,167
		<u>5,103,029</u>	<u>4,863,149</u>	<u>122,100</u>	<u>262,167</u>

ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Creditors: amounts falling due after more than one year

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Bank loans and overdrafts	18	1,938,876	2,111,706	-	-
Other borrowings	18	1,845,000	1,955,000	1,845,000	1,955,000
		<u>3,783,876</u>	<u>4,066,706</u>	<u>1,845,000</u>	<u>1,955,000</u>

18 Loans and overdrafts

		Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans		2,137,940	2,349,876	-	-
Other loans		3,214,634	3,421,450	1,955,000	2,065,000
		<u>5,352,574</u>	<u>5,771,326</u>	<u>1,955,000</u>	<u>2,065,000</u>
Payable within one year		1,568,698	1,704,620	110,000	110,000
Payable after one year		<u>3,783,876</u>	<u>4,066,706</u>	<u>1,845,000</u>	<u>1,955,000</u>

**Bank loans**

Included within bank loans are the following items:

The HSBC bank loan is denominated in sterling with a nominal interest rate of 1.75% over base rate. The amount outstanding at the year end is £793,040 (2021 - £891,794).

The HSBC term loan is denominated in sterling with a nominal interest rate of 2.15% over base rate. The amount outstanding at the year end is £1,344,900 (2021 - £1,458,082).

**Other loans**

Included within other loans are the following items:

***Invoice discounting facility***

The invoice discounting facility is denominated in sterling with a nominal interest rate of 2.5%. The carrying amount at the year end is £1,259,634 (2021 - £1,356,450).

**Security of borrowings**

The invoice discounting facility is secured by a charge over the debts to which the facility relates. The bank loan is secured by a charge over property. The Group's bankers also have fixed and floating charges over the undertaking and all property and assets present and future,, including goodwill, book debts, uncalled capital, buildings, fixtures and fixed plant and machinery.

ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
<b>Group</b>		
Accelerated capital allowances	238,261	247,471

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
<b>Movements in the year:</b>		
Liability at 1 January 2022	247,471	-
Credit to profit or loss	(9,210)	-
Liability at 31 December 2022	238,261	-

20 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	42,827	40,642

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
Issued and fully paid of £1 each	2,750,001	2,750,001	2,750,001	2,750,001

22 Reserves

ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Reserves

(Continued)

**Profit and loss reserves**

Share capital represents the number of shares issued at nominal price.

The profit and loss account represents accumulated comprehensive income for the year and prior periods, after deduction of dividends paid.

23 Financial commitments, guarantees and contingent liabilities

**Group**

The group has guaranteed the borrowings of certain related companies. At 31 December 2021, the amount of borrowings guaranteed amounted to £3,397,574 (2021 - £3,706,326).

24 Operating lease commitments

**Lessee**

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	361,143	311,197	-	-
Between two and five years	1,437,490	1,200,000	-	-
In over five years	1,259,521	1,365,205	-	-
	<u>3,058,154</u>	<u>2,876,402</u>	<u>-</u>	<u>-</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £386,899 (2021 - £370,865).

**ABACUS DIRECT GROUP HOLDINGS LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**25 Related party transactions**

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

**Group**

**Bradbury & Pattison Partnership**

The director of the Group is a partner of the Bradbury & Pattison Partnership. During the year, the Group made recharges of £nil (2021 - £19,599) to the Bradbury & Pattison Partnership. Included in other debtors are amounts due from Bradbury & Pattison Partnership of £3,191 (2021 - £16,292).

As at 31 December 2022 the Group owed Mr I D Pattison £73,146 (2021 - £73,146). In addition, the Group made sales to Mr I D Pattison during the year amounting to £814 (2021 - £5,891) under normal trading terms. As at 31 December 2022 the Group was owed £7,538 (2021 - £19,952) in respect of these trading transactions.

**Abacus Direct Properties Limited**

Abacus Direct Properties Limited is a company under common control. During the year, the Group made purchases of £355,000 (2021 - £426,000) from Abacus Direct Properties Limited and recharges to Abacus Direct Properties Limited of £1,440 (2021 - £1,440). As at 31 December 2022, Abacus Direct Properties Limited was owed £70,280 by the Group (2021 - owed £240 to the Group).

**26 Directors' transactions**

As at the balance sheet date, the Group owed Mr I D Pattison £123,000 (2021 - £123,000). The loan is interest free and repayable on demand.

**27 Exceptional item**

During 2022, a post tax credit of £255,000 was recorded within the group income and expenditure in respect of intercompany trading in prior periods. No prior period adjustment was deemed to be required on the grounds of materiality.

ABACUS DIRECT GROUP HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

28 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	1,169,483	1,841,905
<b>Adjustments for:</b>		
Taxation charged	26,352	494,061
Finance costs	152,534	80,631
Investment income	(1,372)	(532)
Amortisation and impairment of intangible assets	67,823	56,081
Depreciation and impairment of tangible fixed assets	794,335	721,095
<b>Movements in working capital:</b>		
Increase in stocks	(1,356,063)	(2,333,628)
Decrease/(increase) in debtors	213,133	(231,806)
Increase/(decrease) in creditors	713,991	(62,765)
<b>Cash generated from operations</b>	<b>1,780,216</b>	<b>565,042</b>

29 Analysis of changes in net debt - group

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	710,071	18,145	728,216
Borrowings excluding overdrafts	(5,771,326)	418,752	(5,352,574)
	(5,061,255)	436,897	(4,624,358)



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.