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ABACUS GROUP SERVICES UK LIMITED

Report and Financial Statements

31 October 2014

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ABACUS GROUP SERVICES UK LIMITED
REPORT AND FINANCIAL STATEMENTS 2014

| CONTENTS | Page |
|---------------------------------------|-------------|
| Officers and professional advisers | 1 |
| Directors' report | 2 |
| Directors' responsibilities statement | 3 |
| Statement of financial position | 4 |
| Statement of comprehensive income | 5 |
| Statement of changes in equity | 6 |
| Statement of cash flows | 7 |
| Notes to the financial statements | 8 |

ABACUS GROUP SERVICES UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G W Dick
P J Rose

SECRETARY

RBC Secretaries (CI) Limited

REGISTERED OFFICE

La Motte Chambers
St Helier
Jersey JE1 1BJ
Channel Islands

ADVOCATES

Mourant Ozannes
PO Box 87
22 Grenville Street
St Helier
Jersey JE4 8PX
Channel Islands

ABACUS GROUP SERVICES UK LIMITED

DIRECTORS' REPORT

The directors present their annual report and the unaudited financial statements of Abacus Group Services UK Limited (the "Company") for the year ended 31 October 2014

INCORPORATION

The Company was incorporated in Jersey, Channel Islands on 25 July 2000

ACTIVITIES

The principal activity of the Company is provision of managerial services and is unchanged since last year

RESULTS

The results for the year ended 31 October 2014 are set out in the Statement of Comprehensive Income on page 5

DIVIDENDS

A dividend of £300,000 was paid in the year ended 31 October 2014 (2013 £ nil)

DIRECTORS

The present directors of the Company are stated on page 1 and have all served throughout the year and since the year end

SECRETARY

The present secretary of the Company is stated on page 1 and has served throughout the year and since the year end

Approved by the Board of Directors and signed on behalf of the Board



Authorised Signatory
RBC Secretaries (CI) Limited - Secretary

12 March 2015

ABACUS GROUP SERVICES UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. The financial statements are required by law to 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.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS. However, directors are also required to

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that 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 (Jersey) Law 1991. 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.

ABACUS GROUP SERVICES UK LIMITED

STATEMENT OF FINANCIAL POSITION

As at

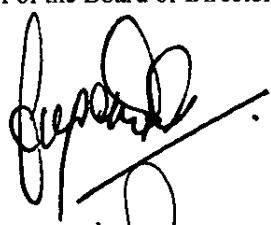
| | Note | 31 October 2014 £ | 31 October 2013 £ |
|--|------|-------------------------|-------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash with related parties | 6 | 38,012 | 323,361 |
| Amounts due from related parties | 6 | - | 3,746 |
| | | <u>38,012</u> | <u>327,107</u> |
| Non-current assets | | | |
| Premises and equipment | 4 | 46,335 | 58,231 |
| | | <u>84,347</u> | <u>385,338</u> |
| TOTAL ASSETS | | | |
| LIABILITIES AND EQUITY | | | |
| Liabilities - Amounts payable within one year | | | |
| Amounts due to related parties | 6 | 6,309 | - |
| Taxation | | 1,269 | 8,569 |
| | | <u>7,578</u> | <u>8,569</u> |
| Total liabilities | | | |
| Equity attributable to shareholders | | | |
| Share capital | 5 | 2 | 2 |
| Retained earnings | | 76,767 | 376,767 |
| | | <u>76,769</u> | <u>376,769</u> |
| Total equity | | | |
| | | <u>84,347</u> | <u>385,338</u> |
| TOTAL LIABILITIES AND EQUITY | | | |

The accompanying notes on pages 8 to 17 form an integral part of these financial statements

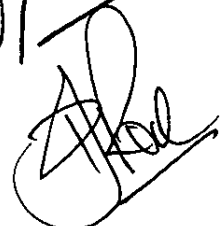
These financial statements were approved by the Board of Directors on 12 March 2015

Signed on behalf of the Board of Directors

Director



Director



ABACUS GROUP SERVICES UK LIMITED**STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 October**

| | Note | 2014 £ | 2013 £ |
|--|------|----------------|---------------|
| Income | | | |
| Intergroup recharges | 6 | 10,968 | 29,127 |
| | | <u>10,968</u> | <u>29,127</u> |
| Expenses | | | |
| Depreciation | 4 | 11,896 | 26,246 |
| General expenses | | 150 | 150 |
| | | <u>12,046</u> | <u>26,396</u> |
| (Loss) / Profit before income taxes | | <u>(1,078)</u> | <u>2,731</u> |
| Income taxes | 3 | (1,078) | 2,731 |
| | | <u>-</u> | <u>-</u> |
| Total comprehensive income / (loss) | | <u>-</u> | <u>-</u> |
| Attributable to | | | |
| Shareholders | | <u>-</u> | <u>-</u> |

The above results are derived from continuing operations in the current and preceding year. There are no items of other comprehensive income in the current or preceding years.

The accompanying notes on pages 8 to 17 form an integral part of these financial statements.

ABACUS GROUP SERVICES UK LIMITED

STATEMENT OF CHANGES IN EQUITY

As at 31 October

| | Share Capital £ | Retained earnings £ | Total £ |
|--|--------------------------------|------------------------------------|--------------------|
| Balances at 1 November 2012 | 2 | 376,767 | 376,769 |
| Total comprehensive income / (loss) for the year | - | - | - |
| Balances at 31 October 2013 | <u>2</u> | <u>376,767</u> | <u>376,769</u> |
| Total comprehensive income / (loss) for the year | - | - | - |
| Dividend paid | - | (300,000) | (300,000) |
| Balances at 31 October 2014 | <u>2</u> | <u>76,767</u> | <u>76,769</u> |

The accompanying notes on pages 8 to 17 form an integral part of these financial statements

ABACUS GROUP SERVICES UK LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 October

| | 2014 £ | 2013 £ |
|---|------------------|----------------|
| Cash flows from operating activities | | |
| Total comprehensive income / (loss) | - | - |
| Adjustments for non-cash items | | |
| Income tax (credit) / expense (note 3) | (1,078) | 2,731 |
| Depreciation (note 4) | 11,896 | 26,246 |
| Adjustments for net changes in operating assets and liabilities | | |
| Change in amounts owed by related parties (note 6) | 3,746 | (3,746) |
| Change in amounts owed to related parties (note 6) | 6,309 | (1,706) |
| Cash generated from operating activities | 20,873 | 23,525 |
| Tax paid (group relief) | (6,222) | - |
| Net cash from operating activities | <u>14,651</u> | <u>23,525</u> |
| Cash flows from financing activities | | |
| Dividends paid | (300,000) | - |
| Net cash used in financing activities | <u>(300,000)</u> | <u>-</u> |
| Net change in cash resources | <u>(285,349)</u> | <u>23,525</u> |
| Cash and cash equivalents at beginning of year | 323,361 | 299,836 |
| Cash and cash equivalents at end of year | <u>38,012</u> | <u>323,361</u> |
| Analysis of cash and cash equivalents at end of year | | |
| Cash with related parties (note 6) | <u>38,012</u> | <u>323,361</u> |

The accompanying notes on pages 8 to 17 form an integral part of these financial statements

ABACUS GROUP SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2014

1. GENERAL INFORMATION

The Company is domiciled in Jersey, Channel Islands and was incorporated on 25 July 2000

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued and in effect as at 31 October 2014 by the International Accounting Standards Board ("IASB")

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements are prepared in accordance with IFRS. The particular accounting policies adopted by the directors are described below

Going concern

The financial statements, which should be read in conjunction with the Directors' Report, are prepared on a going concern basis

Critical accounting estimates and judgements

In preparing the financial statements, management is required to make subjective estimates and assumptions that affect the reported amount of assets, liabilities, net income and related disclosures. Estimates made by management are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances

In the future, actual experience may deviate from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below

(a) Current Income tax

The Statement of Comprehensive Income includes items that are non-taxable or non-deductible for income tax purposes and, accordingly, this causes the income tax provision to be different from what it would be if based on statutory rates. Significant judgement is required in the interpretation of relevant tax laws and in estimating the provision for current taxes due to uncertainty in timing and amount of current taxable income and in the design and ability to implement tax planning strategies

Income recognition

Income is accounted for on an accruals basis and is recognised at the point in time when the Company has the right to receive payment

Expense recognition

Expenses are accounted for on an accruals basis and are recorded in the financial statements of the periods to which they relate

ABACUS GROUP SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2014

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Premises and equipment

Premises and equipment includes furniture and office equipment, computer equipment and leasehold improvements and is stated at cost less accumulated depreciation and accumulated impairment losses. Cost is comprised of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and initial estimate of any disposal costs.

Depreciation is recorded principally on a straight-line basis over the estimated useful lives of the assets, which are 7 to 10 years for furniture and office equipment, 3 to 5 years for computer equipment and 10 years or the period of the lease where shorter for leasehold improvements. Gains and losses on disposal are recorded in income.

Premises and equipment are assessed for indicators of impairment at each reporting period. If there is an indication that an asset may be impaired, an impairment test is performed by comparing the asset's carrying amount to its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash generating unit ("CGU") to which the asset belongs and tested for impairment at the CGU level. An impairment charge is recorded to the extent the recoverable amount of an asset (or CGU), which is the higher of fair value less costs to sell and value in use, is less than its carrying amount. Value in use is the present value of the future cash flows expected to be derived from the asset (or CGU).

After the recognition of impairment, the depreciation charge is adjusted in future periods to reflect the asset's revised carrying amount. If an impairment is later reversed, the carrying amount of the asset is revised to the lower of the asset's recoverable amount and the carrying amount that would have been determined (net of depreciation) had there been no prior impairment loss. The depreciation charge in future periods is adjusted to reflect the revised carrying amount.

Income taxes

Income tax comprises current tax and is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. There is no deferred tax.

Current income tax payable on profits is recognised as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise, calculated using tax rates enacted or substantively enacted by the reporting period end date.

Accounting standards and interpretations adopted during the year

The following new and revised standards and interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements.

IFRS 7 *Financial Instruments Disclosures* ("IFRS 7")

In December 2011, the IASB issued amendments to IFRS 7 regarding disclosure of offsetting financial assets and financial liabilities. The amendments are intended to help investors and other users to better assess the effect or potential effect of offsetting arrangements on a company's financial position. IFRS 7 became effective for the Company on 1 November 2013.

IFRS 13 *Fair Value Measurement* ("IFRS 13")

In May 2011, the IASB issued IFRS 13, which defines fair value and sets out a framework for measuring fair value in a single IFRS. IFRS 13 also requires disclosures about fair value measurements for non-financial assets. The measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value with limited exceptions. IFRS 13 became effective for the Company on 1 November 2013.

ABACUS GROUP SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2014

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Standards in issue but not yet effective

There are a number of standards in issue not yet effective which the Directors have assessed and deemed do not apply to the Group. Management is currently assessing the impact of adopting the following standards on the financial statements:

IAS 32 Financial Instruments Presentation ("IAS 32")

In December 2011, the IASB issued amendments to IAS 32 which clarify the existing requirements for offsetting financial assets and financial liabilities. The amendments will be effective for the Company on 1 November 2014.

IFRS 9 Financial Instruments ("IFRS 9") – other than Own-credit provisions

In July 2014, the IASB issued the complete version of IFRS 9, first issued in November 2009, which brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 introduces a principles-based approach to the classification of financial assets based on an entity's business model and the nature of the cash flows of the asset. All financial assets, including hybrid contracts, are measured at fair value through the Profit and Loss ("FVTPL"), fair value through other comprehensive income or amortised cost. For financial liabilities, IFRS 9 includes the requirements for classification and measurement of financial liabilities previously included in IAS 39. IFRS 9 also introduces an expected loss impairment model for all financial assets not at FVTPL and a new hedge accounting model that aligns the accounting hedge relationships more closely with an entity's risk management activities. As noted above, the Company adopted the own credit provisions of IFRS 9 during the year. The adoption of the own-credit provisions of IFRS 9 did not have a material impact on the financial statements. The remaining sections of IFRS 9 will be effective for the Company no later than 1 November 2018.

ABACUS GROUP SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2014

3. INCOME TAXES

Jersey

The Company is a non-regulated service company which does not meet the definition of a financial services company and accordingly pays tax at 0% (2013 – 0%) on other income

United Kingdom

The Company pays Corporation Tax at 21 83% (2013 – 23%) on other income

| | 2014 £ | 2013 £ |
|--|----------------|--------------|
| Current taxation | | |
| UK Corporation tax | (944) | 2,347 |
| | <u>(944)</u> | <u>2,347</u> |
| Adjustments in respect of prior years | | |
| UK Corporation tax | (134) | 384 |
| | <u>(1,078)</u> | <u>2,731</u> |
| Income taxes | | |

Reconciliation

The difference between the total tax shown above and the amount calculated by applying the standard rate of tax to the income before income taxes is as follows

| | 2014 £ | 2013 £ |
|---|----------------|--------------|
| (Loss) / Profit before income taxes | (1,078) | 2,731 |
| | <u>-</u> | <u>-</u> |
| Tax at the standard Jersey rate applicable of 0% | - | - |
| <i>Effects of</i> | | |
| Origination and reversal of timing differences (UK) | (898) | 1,574 |
| Adjustments in respect of previous periods | (134) | 384 |
| Overseas profits (credited) / taxed at other rates | (236) | 639 |
| Timing differences | 190 | 134 |
| | <u>(1,078)</u> | <u>2,731</u> |
| Total tax charge for the year | | |

ABACUS GROUP SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2014

4. PREMISES AND EQUIPMENT

| | Furniture & Office equipment £ | Computer equipment £ | Leasehold improvements £ | Total £ |
|-------------------------------------|--------------------------------------|----------------------------|--------------------------------|----------------|
| Cost | | | | |
| 1 November 2012 and 1 November 2013 | 308,493 | 82,826 | 107,725 | 499,044 |
| Disposals | (155,858) | (82,826) | (33,177) | (271,861) |
| 31 October 2014 | <u>152,635</u> | <u>-</u> | <u>74,548</u> | <u>227,183</u> |
| Depreciation | | | | |
| 1 November 2012 | 247,429 | 82,826 | 84,312 | 414,567 |
| Charge for the year | 19,757 | - | 6,489 | 26,246 |
| 31 October 2013 | <u>267,186</u> | <u>82,826</u> | <u>90,801</u> | <u>440,813</u> |
| Charge for the year | 8,397 | - | 3,499 | 11,896 |
| Disposals | (155,858) | (82,826) | (33,177) | (271,861) |
| 31 October 2014 | <u>119,725</u> | <u>-</u> | <u>61,123</u> | <u>180,849</u> |
| Net carrying amount | | | | |
| At 31 October 2014 | <u>32,910</u> | <u>-</u> | <u>13,425</u> | <u>46,335</u> |
| At 31 October 2013 | <u>41,307</u> | <u>-</u> | <u>16,924</u> | <u>58,231</u> |