

Registered number: 14259667

ABACUS BIDCO LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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ABACUS BIDCO LIMITED

COMPANY INFORMATION

Directors	P L Aitchison (appointed 27 July 2022) P Kavanagh (appointed 27 July 2022) M B Cook (appointed 1 September 2022) P S Deveney (appointed 1 September 2022) N C Louth (appointed 1 September 2022)
Registered number	14259667
Registered office	Crowthorne House Nine Mile Ride Wokingham Berks RG40 3GZ

ABACUS BIDCO LIMITED

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ABACUS BIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report together with the unaudited financial statements for the period from incorporation on 27 July 2022 to 31 December 2022.

Principal activities

The principal activity of the company is that of a holding company.

Business review

The company was incorporated on 27 July 2022.

On 31 August 2022, the company acquired the entire share capital of Acorn (Holdings) Limited and its subsidiary undertakings ("Acorn Group") for a consideration of approximately £45m. This includes an estimate of deferred consideration payable under the terms of the acquisition. The Acorn Group is involved in the provision of property services.

The loss for the period of £1,028,411 is in line with the directors' expectations and largely reflects the interest payable to a fellow group undertaking on the amounts borrowed to finance the acquisition of the Acorn Group.

Key performance indicators

The company's key performance indicator is the comparison between the carrying value of its investments against the position and performance of those investments.

The directors' assessment of the recoverability of the company's investments, based on its subsidiaries' position and current projected performance, resulted in no impairment during the year.

Principal risks and uncertainties

As an intermediate parent company, the principal risk the company faces is that the carrying value of its investments in its subsidiaries is not fully recoverable.

The directors regularly monitor the carrying value of the company's investments against the position and performance of its subsidiaries to ascertain whether there are any indicators of potential impairment.

The activity levels of the group's businesses are closely related to that in the housing marketplace. Though we face risks associated with the housing marketplace, the directors feel that our diversity of operations in second hand sales, lettings, new homes, planning, residential surveys, mortgages and auctions and our strength of a large core managed lettings portfolio reduces the risks to the group of variations in the housing market. The board of directors monitor work levels on a monthly basis to ensure that sufficient resources are in place.

The Group monitors cash flow as part of its daily control activities. Cash flow projections are prepared on a regular basis to ensure that the appropriate cash reserves are available to fund the future operation of the Group's businesses. Cash flow projections are reviewed by the Board every month.

Should the carrying value of certain investments not be recoverable in full, the company may be unable to pay amounts due to its immediate parent undertaking. In these circumstances, the company would seek support from its ultimate parent company.

Directors' statement of compliance with duty to promote the success of the Company

The statement under s.172 of the Companies Act 2006 and the statement of engagement with suppliers, customers and others for the group headed by Hadrian Holding Limited, of which the company is a part, is included in the consolidated financial statements of Hadrian Holding Limited.

ABACUS BIDCO LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report was approved by the board on 30 August 2023 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'P L Alchlson', with a horizontal line extending to the right.

P L Alchlson
Director

ABACUS BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 1 - 2 of these financial statements.

Results and dividends

The loss for the year, after taxation, amounted to £1,028,411.

The directors do not recommend the payment of a dividend.

Directors

The Directors who served during the year were:

P L Aitchison (appointed 27 July 2022)
P Kavanagh (appointed 27 July 2022)
M B Cook (appointed 1 September 2022)
P S Deveney (appointed 1 September 2022)
N C Louth (appointed 1 September 2022)

At 31 December 2022, third party indemnity provision for the benefit of the company's directors was in force.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements 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 financial statements;
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.*

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

ABACUS BIDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report was approved by the board on 30 August 2023 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'P L Aitchison', with a long horizontal flourish extending to the right.

P L Aitchison
Director

ABACUS BIDCO LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Period from 27 July 2022 to 31 December 2022
Note	£
Interest payable and similar expenses	(1,028,411)
(Loss)/profit before tax	(1,028,411)
(Loss)/profit for the financial year	(1,028,411)

The notes on pages 8 to 14 form part of these financial statements.

ABACUS BIDCO LIMITED
REGISTERED NUMBER: 14259667

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £
Fixed assets		
Investments	7	45,030,961
		<u>45,030,961</u>
Current assets		
Debtors: amounts falling due within one year		2,539,861
		<u>2,539,861</u>
Creditors: amounts falling due within one year	9	(16,730,095)
		<u>(16,730,095)</u>
Net current (liabilities)/assets		(14,190,234)
		<u>(14,190,234)</u>
Total assets less current liabilities		30,840,727
		<u>30,840,727</u>
Net assets		30,840,727
		<u>30,840,727</u>
Capital and reserves		
Called up share capital		100,000
Share premium account		31,769,138
Profit and loss account		(1,028,411)
		<u>30,840,727</u>
		<u>30,840,727</u>

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 August 2023.



P L Aitchison
Director

The notes on pages 8 to 14 form part of these financial statements.

ABACUS BIDCO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Loss for the year	-	-	(1,028,411)	(1,028,411)
Total comprehensive income for the year	-	-	(1,028,411)	(1,028,411)
Shares issued during the year	100,000	31,769,138	-	31,869,138
At 31 December 2022	100,000	31,769,138	(1,028,411)	30,840,727

The notes on pages 8 to 14 form part of these financial statements.

ABACUS BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Abacus Bidco Limited is a private company limited by shares incorporated in England & Wales. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hadrian Holding Limited as at 31 December 2022 and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Going concern

The company is a subsidiary of Hadrian Holding Limited. The financial statements have been prepared on the going concern basis. In reaching this conclusion, the directors have reviewed forecasts for the group of which the company is a part, which demonstrate a reasonable expectation that both the company and its wider group will continue to generate cash and have adequate resources to continue in operational existence for a period not less than 12 months from the date of signing these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Interest income and expense

Interest income and expense is recognised using the effective interest method which calculates the amortised cost of a financial asset or liability and allocates the interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

2.6 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Impairment of non-financial assets

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination. Each unit to which goodwill is allocated represents the lowest level within the Company that independent cash flows are monitored.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired.

At each balance sheet date the Directors review the carrying amounts of the Company's non-current assets, other than goodwill, 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 the asset does not generate cash flows that are independent from other assets, the Directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal 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. 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 based on the carrying amount of each asset in the unit.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

An impairment loss is recognised as an expense immediately.

An impairment loss recognised for goodwill is not reversed in subsequent years.

Where an impairment loss on other non-financial assets 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 in the profit and loss account immediately.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.10 Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares issued.
- "Share premium" represents amounts subscribed for share capital, net of issue costs, in excess of nominal value.
- "Profit and loss account reserve" represents the accumulated profits and losses attributable to equity shareholders.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting year.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Assumptions and accounting estimates are subject to regular review. Any revisions required to accounting estimates are recognised in the year in which the revisions are made including all future years affected.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Impairment of investments

Determine whether there are indicators of impairment of the company's fixed asset investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Consideration paid on acquisition

The value of investments in newly acquired subsidiaries includes contingent and deferred consideration, which are estimated by the Directors based on forecast trading of the acquired company. At the year end the estimated deferred consideration was £10,000,000.

4. Employees

The Company has no employees other than the Directors, who did not receive any remuneration.

ABACUS BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Interest payable and similar expenses

	2022 £
Loans from group undertakings	1,028,411
	<u>1,028,411</u>

6. Taxation

	2022 £
Total current tax	<u>-</u>
Deferred tax	
Total deferred tax	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2022 £
(Loss)/profit on ordinary activities before tax	<u>(1,028,411)</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	<u>(195,398)</u>
Effects of:	
Group relief	<u>195,398</u>
Total tax charge for the year	<u>-</u>

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the main rate of corporation tax in the United Kingdom will rise to 25% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £250,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning taxable profits between the two levels. These changes were substantively enacted at the Balance Sheet date and therefore an adjustment has been made to deferred taxation balances to account for this change.

ABACUS BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Investments

	Shares in subsidiary companies £
Cost or valuation	
Additions	45,030,961
At 31 December 2022	<u>45,030,961</u>

The additions during the period represent the acquisition of Acorn (Holdings) Limited and its subsidiary undertakings.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Holding
Acorn (Holdings) Limited (*)	England & Wales	Holding company	100%
Acorn Land & Strategic Property Division Limited	England & Wales	Estate agency	100%
Acorn Limited	England & Wales	Holding company	100%
Maitlands Acorn Professional Limited	England & Wales	Architectural services	100%
Stuart Challis Limited	England & Wales	Estate agency	100%
Acorn Estate Management Limited	England & Wales	Management services	100%
John Payne (Blackheath) Limited	England & Wales	Dormant	100%
John Payne (Greenwich) Limited	England & Wales	Dormant	100%
John Payne (Lettings) Limited	England & Wales	Dormant	100%
John Payne (Lee) Limited	England & Wales	Dormant	100%
John Payne (Westcombe Park) Limited	England & Wales	Dormant	100%
Propertysmith Limited	England & Wales	Dormant	100%
Suttle Limited	England & Wales	Dormant	100%

(*) denotes a direct subsidiary, all others are indirect subsidiaries.

The subsidiary undertakings' registered office is Crowthorne House, Nine Mile Ride, Wokingham, Berkshire, RG40 3GZ.

8. Debtors

	2022 £
Amounts owed by group undertakings	2,539,861
	<u>2,539,861</u>

ABACUS BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. Creditors: Amounts falling due within one year

	2022 £
Amounts owed to group undertakings	4,877,467
Accruals and deferred income	11,852,628
	<u>16,730,095</u>

10. Share capital

	2022 £
Allotted, called up and fully paid	
3,482 A Ordinary shares shares of £1.00 each	3,482
96,518 B Ordinary shares shares of £1.00 each	96,518
	<u>100,000</u>

During the period, the company issued 3,482 A ordinary shares and 96,518 B ordinary shares for a total consideration of £31,769,138.

The rights attached to these shares are set out in the company's Articles of Association.

11. Related party transactions

During the period, the company's parent, The Leaders Romans Bidco Limited, loaned the company £34,186,715. The loan bears interest at a rate of 9% per annum and is repayable on demand. Interest amounting to £1,028,411 was charged to the profit and loss account in respect of this loan in the period.

The Leaders Romans Bidco Limited also paid costs on behalf of the company during the period totalling £422,018.

At 31 December 2022, the company owed The Leaders Romans Bidco Limited £4,877,467.

12. Controlling party

The company is a subsidiary of The Leaders Romans Bidco Limited, which is registered at Crowthorne House, Nine Mile Ride, Wokingham, Berkshire RG40 3GZ. At 31 December 2022, the company's ultimate parent company was Hadrian Holding Limited, which is registered at 100 New Bridge Street, London, EC4V 6JA.

Hadrian Holding Limited is the smallest and largest group in which the results of the company are consolidated.

The consolidated accounts, which include the results of this company, are available to the public and may be obtained from Companies House.

At 31 December 2022, the ultimate controlling party of Abacus Bidco Limited is Platinum Equity Small Cap Fund International (Cayman), L.P.