

Abacus Developments Limited
Annual Report and Unaudited Financial Statements
For the Year Ended 31 October 2014

Registered in England and Wales Number 1038942

TUESDAY



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Abacus Developments Limited

Directors' Report for the Year Ended 31 October 2014

The directors who held office during the year and up to the date of this report were as follows

A N R McAlpine

A R Bolt BA, FCMA

J M Briant FRICS (resigned 27 March 2014)

G P Sanders BSc , ARICS

H Thomas BSc , MRICS (appointed 27 March 2014)

Company secretary

K J Pearson BSc , ACA

The directors present their annual report on the affairs of the company, together with the unaudited financial statements for the year ended 31 October 2014

As permitted by Section 415A of the Companies Act 2006, the directors' report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime

As permitted by Section 414A of the Companies Act 2006, in accordance with the provisions applicable to companies subject to the small companies regime the strategic report has not been prepared by the company

Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. See note 1 to the Financial Statements

Dividends

The directors do not recommend payment of a final dividend (2013 £nil)

Indemnity Provision

Third party indemnity provisions made by the ultimate parent company on behalf of all directors within the Group were in force for the entire financial year

Approved by the Board on 21 May 2015 and signed on its behalf by



K J Pearson BSc , ACA
Company secretary

Registered Office
Eaton Court
Maylands Avenue
Hemel Hempstead
Herts
HP2 7TR

Abacus Developments Limited

Statement of Directors' Responsibilities

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

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

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Abacus Developments Limited**Profit and Loss Account for the Year Ended 31 October 2014**

	Notes	2014 £ 000	2013 £ 000
Cost of sales		(1)	(16)
Gross loss		(1)	(16)
Administrative expenses		(703)	(644)
Operating loss	2	(704)	(660)
Amounts written back on/(off) investments		182	(563)
Finance income	3	286	295
Loss on ordinary activities before taxation		(236)	(928)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation	11	(236)	(928)

There are no recognised gains or losses for the year (2013 £nil) other than the loss on ordinary activities after taxation and therefore no statement of total recognised gains or losses is given

All operating losses relate to continuing operations and are derived entirely from within the United Kingdom

Abacus Developments Limited
Balance Sheet at 31 October 2014

	Notes	2014 £ 000	2013 £ 000
Fixed assets			
Tangible fixed assets	6	1	2
Investments	7	3,700	3,526
		<u>3,701</u>	<u>3,528</u>
Current assets			
Debtors	8	17	14
Creditors: Amounts falling due within one year	9	(17,938)	(17,526)
Net current liabilities		<u>(17,921)</u>	<u>(17,512)</u>
Net liabilities		<u>(14,220)</u>	<u>(13,984)</u>
Capital and reserves			
Called up share capital	10	2,500	2,500
Profit and loss account		<u>(16,720)</u>	<u>(16,484)</u>
Shareholders' deficit	11	<u>(14,220)</u>	<u>(13,984)</u>

For the year ending 31 October 2014 the company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies. The ultimate parent company has provided a guarantee to Abacus Developments Limited in compliance with Section 479C of the Companies Act 2006.

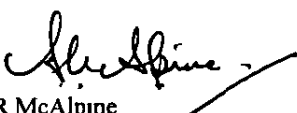
The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Registered in England and Wales No 1038942

These financial statements were approved by the Board and authorised for issue on 21 May 2015 and signed on its behalf by


A N R McAlpine
Director


A R Bolt BA, FCMA
Director

Abacus Developments Limited

Notes to the Financial Statements for the Year Ended 31 October 2014

1 Accounting policies

These financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular policies adopted, which have been applied consistently in the current and prior years, are described below.

Accounting convention

These financial statements have been prepared under the historical cost convention.

Going concern

The company has net liabilities as at 31 October 2014 and is reliant on the support of its parent company, Sir Robert McAlpine Enterprises Limited, to be able to meet its liabilities as they fall due. However, the directors consider that the company is an integral part of the Newarthull Group's structure and strategy and this is evidenced by the guarantee provided by the ultimate parent company in accordance with Section 479C of the Companies Act 2006, as noted on the Balance Sheet. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation - joint arrangements

In accordance with Financial Reporting Standard No. 9, Associates and Joint Ventures (which requires departure from the Companies Act 2006), joint arrangements are accounted for by taking the share of the profit and loss account, assets and liabilities on a proportional basis.

Tangible fixed assets

Tangible fixed assets are stated at cost or at valuation (as at the date of implementation of Financial Reporting Standard No. 15, Measurement of Tangible Fixed Assets) net of depreciation and less any provision for impairment.

Depreciation

Fixtures and Fittings are depreciated over their estimated useful economic lives at declining rates based on their written down values at rates of either 20% or 40% per annum.

Investments

Investments are included at the lower of cost and net realisable value.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Financial Reporting Standard No. 19, Deferred Tax, requires full provision for timing differences which have originated at the balance sheet date and which could give rise to an obligation to pay more or less tax in the future. Deferred tax assets are recognised to the extent that it is regarded more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

Abacus Developments Limited

Notes to the Financial Statements for the Year Ended 31 October 2014

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Pensions

The company applies Financial Reporting Standard No 17, Retirement Benefits. The assets and liabilities of the scheme cannot be identified between the different companies within the scheme, so, as permitted by the Standard, the scheme is accounted for by the company as if it were a defined contribution scheme. Full disclosures of the scheme using FRS 17 are shown in the Group financial statements of Newarthill Limited.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised), Cash Flow Statements, of not producing a cash flow statement since it is a wholly-owned subsidiary of Newarthill Limited which produces group financial statements.

2 Operating loss

Operating loss is stated after charging

	2014	2013
	£ 000	£ 000
Depreciation	<u>1</u>	<u>1</u>

3 Finance income

	2014	2013
	£ 000	£ 000
Dividends received from subsidiaries	-	13
Interest receivable and similar income	<u>286</u>	<u>282</u>
	<u>286</u>	<u>295</u>

Abacus Developments Limited

Notes to the Financial Statements for the Year Ended 31 October 2014

..... continued

4 Tax on loss on ordinary activities

There was no tax on the loss for the year (2013 £nil)

Factors affecting current tax charge for the year

	2014	2013
	£ 000	£ 000
Loss on ordinary activities before taxation	<u>(236)</u>	<u>(928)</u>
United Kingdom Corporation Tax at 21 83% (2013 23 41%)	(52)	(217)
Movement in short-term timing differences	(1)	-
Non taxable income	(40)	(3)
Disallowable expenditure	2	131
Transfer pricing adjustment	(131)	(139)
Group relief not paid for	<u>222</u>	<u>228</u>
Total current tax	<u>-</u>	<u>-</u>

There were no unrecognised deferred tax assets or liabilities (2013 £nil)

The United Kingdom Corporation Tax rate was reduced from 23% to 21% with effect from 1 April 2014 and subsequently from 21% to 20% with effect from 1 April 2015

Abacus Developments Limited**Notes to the Financial Statements for the Year Ended 31 October 2014***..... continued***5 Information regarding directors and employees**

	2014	2013
	Number	Number
Staff numbers:		
Average number employed during the year	<u>6</u>	<u>6</u>
	2014	2013
	£ 000	£ 000
Staff costs (including directors):		
Wages and salaries	413	442
Social security costs	51	55
Staff pensions	<u>148</u>	<u>66</u>
	<u>612</u>	<u>563</u>
	2014	2013
	£ 000	£ 000
Directors costs:		
Aggregate emoluments of the directors of the company		
Salaries and taxable benefits	279	307
Pensions	<u>137</u>	<u>58</u>
	<u>416</u>	<u>365</u>
	2014	2013
	£ 000	£ 000
Emoluments of the highest paid director are as follows:		
Aggregate emoluments excluding pensions contributions	<u>158</u>	<u>187</u>

The accrued pension of the highest paid director is £nil (2013 £37,600)

Retirement benefits are accruing to two (2013 three) directors under the defined benefit scheme

Abacus Developments Limited

Notes to the Financial Statements for the Year Ended 31 October 2014

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6 Tangible fixed assets

	Fixtures and fittings £ 000
Cost or valuation	
At 1 November 2013 and 31 October 2014	79
Depreciation	
At 1 November 2013	77
Charge for the year	1
At 31 October 2014	78
Net book value	
At 31 October 2014	1
At 31 October 2013	2

7 Investments held as fixed assets

	2014 £ 000	2013 £ 000
Shares in subsidiary companies and joint venture	2	2
Loans to subsidiary companies	3,698	3,524
	<u>3,700</u>	<u>3,526</u>

Shares in subsidiary companies and joint venture

	Shares in subsidiary companies £ 000	Shares in joint venture £ 000	Total £ 000
Cost			
At 1 November 2013 and 31 October 2014	624	1	625
Provision for impairment			
At 1 November 2013 and 31 October 2014	(623)	-	(623)
Net book value			
At 31 October 2014	1	1	2
At 31 October 2013	1	1	2

Abacus Developments Limited

Notes to the Financial Statements for the Year Ended 31 October 2014

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Loans to subsidiary companies

	Total £ 000
Cost	
At 1 November 2013	10,198
Additions	196
Disposals	(204)
At 31 October 2014	<u>10,190</u>
Provision	
At 1 November 2013	(6,674)
Released in the year	182
At 31 October 2014	<u>(6,492)</u>
Net book value	
At 31 October 2014	<u><u>3,698</u></u>
At 31 October 2013	<u><u>3,524</u></u>

	2014 £ 000	2013 £ 000
Shares in subsidiary companies		
The cost of shares in subsidiaries of the company are as follows		
ADL Ventures Limited	601,422	601,422
Merlot Developments Limited	1	1
Oakus Developments Limited	2	2
Lizard Orchid Developments Limited	22,859	22,859

All subsidiaries are 100% owned and are incorporated in Great Britain and registered in England and Wales
The principal activity of all the companies is property development

Shares in joint venture

The company owns 50% (500 Ordinary shares of £1 each) of Abvale Developments Limited, whose principal activity is property development. It is incorporated in Great Britain and registered in England and Wales and has a year end of 31 March

As permitted by Section 400 of the Companies Act 2006, group financial statements have not been prepared as Abacus Developments Limited is itself a wholly-owned subsidiary. Consequently, these financial statements give information about the company and its joint arrangements (see note 14) rather than the group

Abacus Developments Limited**Notes to the Financial Statements for the Year Ended 31 October 2014***..... continued***8 Debtors**

	2014	2013
	£ 000	£ 000
Prepayments and accrued income	16	12
Taxation	<u>1</u>	<u>2</u>
	<u>17</u>	<u>14</u>

9 Creditors. Amounts falling due within one year

	2014	2013
	£ 000	£ 000
Trade creditors	4	14
Amounts owed to immediate parent company	17,916	17,495
Amounts owed to subsidiary companies	1	1
Taxation and social security	13	15
Accruals and deferred income	<u>4</u>	<u>1</u>
	<u>17,938</u>	<u>17,526</u>

Amounts owed to the immediate parent company and subsidiary companies are interest free and repayable on demand

10 Called up share capital

	2014	2013
	£000	£000
Allotted, called up and fully paid		
2,500,000 Ordinary shares of £1 each	<u>2,500</u>	<u>2,500</u>

11 Reconciliation of movement in shareholders' deficit

	2014	2013
	£ 000	£ 000
Loss on ordinary activities after taxation	(236)	(928)
Opening shareholders' deficit	<u>(13,984)</u>	<u>(13,056)</u>
Closing shareholders' deficit	<u>(14,220)</u>	<u>(13,984)</u>

Abacus Developments Limited

Notes to the Financial Statements for the Year Ended 31 October 2014

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12 Retirement benefits

The group of which the company is a member operates a funded pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group. The pension cost relating to the scheme is assessed in accordance with the advice of a qualified actuary using the projected unit method. The latest actuarial valuation of the scheme was at 31 October 2012. Particulars of the actuarial valuation of the group scheme are contained in the financial statements of the ultimate parent company.

As noted in the Accounting Policies Note, the company applies Financial Reporting Standard No 17, Retirement Benefits.

Disclosures required under Financial Reporting Standard No 17 are shown in the financial statements of Newarthill Limited. These disclosures show the scheme to have a net deficit of £39.8m attributable to the Newarthill Limited group before deducting deferred tax (2013 deficit of £30.1m). As the assets and liabilities of the pension scheme cannot be identified between the different companies within the scheme, the company accounts for the charges against the scheme as if it were a defined contribution scheme.

In addition to the defined benefit scheme, the company operates a defined contribution scheme, where employee contributions are matched by company contributions. During the year, the cost was £4,000 (2013 £3,000). All costs were expensed as incurred and there were no amounts outstanding, by way of either amounts owing or commitments, at the year end (2013 £nil).

13 Contingent liabilities

There are contingent liabilities in respect of property development commitments, rental guarantees and indemnities entered into during the normal course of business.

It is impracticable to estimate the financial effect, timing or probability of payments in relation to these contingent liabilities.

14 Related party transactions

The company is a wholly-owned subsidiary of the Newarthill Limited group of companies and has taken advantage of the exemption which is conferred by Financial Reporting Standard No 8, Related Party Disclosures, that allows it not to disclose transactions with group undertakings.

McGreen Estates Limited is a 50% owned joint arrangement, which is incorporated in Great Britain and registered in England and Wales. The principal activity of the joint arrangement is property development. McGreen Estates Limited has been dormant throughout the year and there is neither a balance owing to or from the company.

Lizard Orchid Developments Limited was a 50% owned joint arrangement. On the 25 April 2013 the company purchased the remaining 50% of the share capital and it is now a wholly-owned subsidiary.

Abacus Developments Limited

Notes to the Financial Statements for the Year Ended 31 October 2014

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15 Control

The company is controlled by its immediate parent company, Sir Robert McAlpine Enterprises Limited, and the ultimate parent company is Newarthill Limited, which is incorporated in Great Britain and registered in England and Wales. Newarthill Limited is the only company to prepare consolidated financial statements which include the results of this entity. Copies of the group financial statements can be obtained from Newarthill Limited, 40 Bernard Street, London WC1N 1LG. The ultimate controlling party is the McAlpine Partnership Trust.