

**Abacus Group Limited**

**Report and Accounts**

**27 June 2015**

FRIDAY



\*L4Y70JPF\*

LD5

08/01/2016

#97

COMPANIES HOUSE

**Registered number**

**2278260**

**Abacus Group Limited**  
**Report and accounts**  
**Contents**

	<b>Page</b>
Company information	2
Strategic report	3
Directors' report	4
Statement of directors' responsibilities	5
Independent auditors' report	6
Profit and loss account	7
Balance sheet	8
Notes to the accounts	9

## **Abacus Group Limited Company Information**

### **Directors**

W Crowell (resigned 23 October 2015)

M McCoy

P Zammit (resigned 20 February 2015)

P Bielefeld

G McBeth

### **Auditors**

BDO LLP

55 Baker Street

London

W1U 7EU

### **Registered office**

Avnet House

Rutherford Close

Meadway Technology Park

Stevenage

Hertfordshire

SG1 2EF

### **Registered number**

2278260

## **Abacus Group Limited Strategic Report**

The directors present their strategic report for the period ended 27 June 2015.

### **Review of the business**

The company continues to act as a holding company.

On 27th February 2015 the liquidation of the immediate subsidiary, Deltron Electronics Limited completed, resulting in a profit on disposal of £1,907,000.

These events form part of a wider restructuring programme with regard to the efficient operation of the group.

### **Future developments**

The performance and returns from the operations of the subsidiaries are expected to continue.

### **Principal risks and uncertainties**

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

#### **Economic risk**

The main economic risks are regarded as being changes in the performance and hence valuation of the company's investments in the form of operating subsidiaries, the adequacy of capital levels of the company if the ongoing financing costs of the company are not covered by returns from investments or additional capital or funding.

This risk is managed by the monitoring of the performance and valuation of investments and adjustments to funding and financial arrangement as deemed necessary.

#### **Competition risk**

The directors of the company and subsidiaries manage competition risk through close attention to alternative sources of financing.

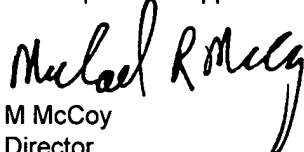
#### **Currency exchange risk**

The directors of the company use foreign currency hedges each month to attempt to eliminate any exposure of foreign currency denominated asset and liability balances to changes in foreign currency exchange rates after the balance sheet date.

#### **Financial risk**

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage financial risk.

This report was approved by the board and signed on its behalf on 9 December 2015



M McCoy  
Director

## **Abacus Group Limited Directors' Report**

The directors present their report and accounts for the period ended 27 June 2015.

### **Principal activities**

The company's principal activity during the period continued to be an intermediate holding company.

### **Results and dividends**

The results of the company for the period are set out on page 7. The profit for the period after taxation amounted to £1,965,000 (2014: £2,751,000).

The directors do not recommend the payment of a dividend (2014: £nil).

### **Directors**

The following persons served as directors during the period:

W Crowell (resigned 23 October 2015)  
M McCoy  
P Zammit (resigned 20 February 2015)  
P Bielefeld  
G McBeth

### **Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board and signed on its behalf on 9 December 2015

  
M McCoy  
Director

## **Abacus Group Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the strategic report, directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial period. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 accounts;
- prepare the accounts 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 accounts 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 Group Limited**  
**Independent auditors' report**  
**to the members of Abacus Group Limited**

We have audited the financial statements of Abacus Group Limited for the period ended 27 June 2015 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

**Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on the financial statements**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 27 June 2015 and of its profit for the period 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.

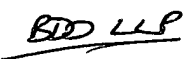
**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

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, or returns adequate for our audit have not been received
- the 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.

 **BDO LLP**

*David Butcher (senior statutory auditor)*  
*For and on behalf of BDO LLP, statutory auditor*  
*London*

*9 December 2015*

*BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).*

**Abacus Group Limited**  
**Profit and Loss Account**  
**for the period from 29 June 2014 to 27 June 2015**

	Notes	2015 £'000	2014 £'000
Administrative expenses		(34)	(898)
Dividend received from investments	2	-	3,557
<b>Operating (loss)/profit</b>	2	<u>(34)</u>	<u>2,659</u>
Exceptional items:			
Profit on the disposal of investments	4	1,907	-
Interest receivable and similar income	5	92	94
Interest payable and similar charges	6	-	(2)
<b>Profit on ordinary activities before taxation</b>		<u>1,965</u>	<u>2,751</u>
Tax on profit on ordinary activities	7	-	-
<b>Profit for the period</b>		<u>1,965</u>	<u>2,751</u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two periods.

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the profit for the above two periods.

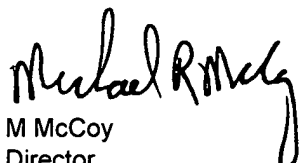
The accompanying notes on pages 9 to 14 are an integral part of the financial statements.



**Abacus Group Limited**  
**Registered number: 2278260**  
**Balance Sheet**  
**as at 27 June 2015**

	Notes	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Investments	8	16,584	42,254
<b>Current assets</b>			
Debtors	9	13,564	13,547
<b>Creditors: amounts falling due within one year</b>	10	(56)	(27,674)
<b>Net current assets/(liabilities)</b>		13,508	(14,127)
<b>Net assets</b>		<u>30,092</u>	<u>28,127</u>
<b>Capital and reserves</b>			
Called up share capital	11	3,839	3,839
Share premium	12	47,897	47,897
Capital redemption reserve	13	428	428
Profit and loss account	14	(22,072)	(24,037)
<b>Shareholders' funds</b>	15	<u>30,092</u>	<u>28,127</u>

The accompanying notes on pages 9 to 14 are an integral part of the financial statements.



M McCoy  
Director

Approved by the board on 9 December 2015

**Abacus Group Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. Under FRS 1 Cash Flow Statements (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As 100% of the voting rights of the company are controlled within the Avnet Inc. group, the company has taken advantage under the exemptions permitted by FRS 8 Related Party Disclosures to not disclose details of balances held with other companies within that group.

***Going concern***

The Directors have considered the going concern of the company and have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

***Investments***

Subsidiary undertakings and other fixed asset investments are stated at cost, which includes the costs of acquisition, less provisions for impairment.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***Taxation***

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

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**2 Operating loss**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
This is stated after charging:		
Dividend received from investments	-	3,557
Auditors' remuneration for audit services	<u>6</u>	<u>6</u>

**Abacus Group Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

**3 Directors**

The directors of the company receive their remuneration from a fellow group company.

<b>4 Exceptional items</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>

Profit on the disposal of investments	<u>1,907</u>	<u>-</u>
---------------------------------------	--------------	----------

On 27 February 2015 the company disposed of its investment in Deltron Electronics Limited, its immediate subsidiary.

<b>5 Interest receivable and similar income</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>

Interest receivable from group companies	87	91
Foreign exchange gain	5	3
	<u>92</u>	<u>94</u>

<b>6 Interest payable and similar charges</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>

Interest payable to group companies	-	1
Foreign exchange loss	-	1
	<u>-</u>	<u>2</u>

**Abacus Group Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

<b>7 Taxation</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
-------------------	-----------------------	-----------------------

**Analysis of charge in period**

Tax on profit on ordinary activities	<u>-</u>	<u>-</u>
--------------------------------------	----------	----------

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<b>2015 £'000</b>	<b>2014 £'000</b>
Profit on ordinary activities before tax	<u>1,965</u>	<u>2,751</u>
Standard rate of corporation tax in the UK	20.75%	22.50%
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	408	619
Effects of:		
Expenses not deductible for tax purposes	3	-
Profit on disposal of investments not taxable	(396)	-
Losses surrendered (by)/to other group undertakings	(15)	181
Dividend income not taxable	-	(800)
Current tax charge for period	<u>-</u>	<u>-</u>

Tax losses of £2,517,000 (2014: £2,517,000) are available for future periods with an unrecognised deferred tax asset of £503,000 (2014: £522,000).

Deferred tax assets have not been recognised in respect of these losses as there is insufficient certainty over the timing and extent of future profits.

**Abacus Group Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

**8 Fixed asset investments**

	<b>Investments in subsidiary undertakings £'000</b>
<b>Cost</b>	
At 29 June 2014	68,189
Disposals	(35,197)
At 27 June 2015	<u>32,992</u>
<b>Impairment provision</b>	
At 29 June 2014	25,935
Reversal on disposals	(9,527)
At 27 June 2015	<u>16,408</u>
<b>Net Book Value</b>	
At 27 June 2015	<u>16,584</u>
At 28 June 2014	<u>42,254</u>

<b>Subsidiary undertakings</b>	<b>Country of incorporation and operation</b>	<b>Principal activity</b>	<b>Proportion of ordinary shares held by the company</b>
Alpha 3 Manufacturing Ltd (1)	UK	Manufacturing	100%
Avnet Logistics Ltd (1)	UK	Distribution	100%
Tekdata Interconnections Ltd	UK	Manufacturing	100%

(1) Owned directly by Abacus Group Limited at 27 June 2015. The other company is owned indirectly.

On 27th February 2015 the liquidation of the immediate subsidiary, Deltron Electronics Limited, completed with a final distribution of £27,577,000 resulting in a profit on disposal of £1,907,000 and Deltron Electronics Limited was dissolved on 24th October 2015.

**Abacus Group Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

<b>9 Debtors</b>			<b>2015 £'000</b>	<b>2014 £'000</b>
Amounts owed by group undertakings and undertakings in which the company has a participating interest			13,562	13,543
Other debtors			-	1
VAT			2	3
			<u>13,564</u>	<u>13,547</u>
<b>10 Creditors: amounts falling due within one year</b>			<b>2015 £'000</b>	<b>2014 £'000</b>
Trade creditors			-	39
Amounts owed to group undertakings and undertakings in which the company has a participating interest			1	27,579
Accruals and deferred income			55	56
			<u>56</u>	<u>27,674</u>
<b>11 Share capital</b>	<b>Nominal value</b>	<b>2015 Number</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Allotted, called up and fully paid:				
Ordinary shares	5p each	76,776,418	<u>3,839</u>	<u>3,839</u>
<b>12 Share premium</b>			<b>2015 £'000</b>	<b>2014 £'000</b>
At 29 June 2014			47,897	47,897
At 27 June 2015			<u>47,897</u>	<u>47,897</u>
<b>13 Capital redemption reserve</b>			<b>2015 £'000</b>	<b>2014 £'000</b>
At 29 June 2014			428	428
At 27 June 2015			<u>428</u>	<u>428</u>

**Abacus Group Limited**  
**Notes to the Accounts**  
**for the period from 29 June 2014 to 27 June 2015**

<b>14 Profit and loss account</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
At 29 June 2014	(24,037)	(26,788)
Profit for the period	1,965	2,751
At 27 June 2015	<u>(22,072)</u>	<u>(24,037)</u>

<b>15 Reconciliation of movement in shareholders' funds</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
At 29 June 2014	28,127	25,376
Profit for the financial period	1,965	2,751
At 27 June 2015	<u>30,092</u>	<u>28,127</u>

**16 Ultimate controlling party**

The ultimate parent company and ultimate controlling party of Abacus Group Limited is Avnet Inc., a company incorporated in the United States of America. The company's immediate parent and controlling party is Electron House (Overseas) Limited, a company registered in England and Wales. The financial statements of this company are available to the public and may be obtained from Companies House or from the company's registered address: Avnet House, Rutherford Close, Meadway Technology Park, Stevenage, Hertfordshire SG1 2EF.

The largest and the smallest group in which the results of Abacus Group Limited are consolidated is that headed by Avnet Inc. The consolidated financial statements of this group are available to the public and may be obtained from Avnet Inc., 2211 South 47th Street, Phoenix, AZ85034, USA or by visiting Avnet Inc.'s Investor Relations website at [www.ir.avnet.com](http://www.ir.avnet.com).