

REGISTERED NUMBER 2357612 (England and Wales)

**ABACUS FINANCIAL MANAGEMENT LIMITED**  
**REPORT OF THE DIRECTOR AND**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2007**

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**For The Year Ended 30 June 2007**

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**ABACUS FINANCIAL MANAGEMENT LIMITED**

**COMPANY INFORMATION**  
**For The Year Ended 30 June 2007**

**DIRECTOR**

M E Nicholson

**SECRETARY**

R W Hart

**REGISTERED OFFICE**

Queen Isabelle House  
Kingsclere Park  
Kingsclere  
Newbury  
Berkshire  
RG20 4SW

**REGISTERED NUMBER**

2357612 (England and Wales)

**ABACUS FINANCIAL MANAGEMENT LIMITED**

**REPORT OF THE DIRECTOR  
For The Year Ended 30 June 2007**

The director presents his report with the financial statements of the company for the year ended 30 June 2007

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of financial advisers to members of the Armed Forces

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements

**DIVIDENDS**

No dividends were paid for the period ended 30 June 2006

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements

**DIRECTOR**

M E Nicholson held office during the whole of the period from 1 July 2006 to the date of this report

**ON BEHALF OF THE BOARD**



R W Hart - Secretary

Date

14 APRIL 2008.

**ABACUS FINANCIAL MANAGEMENT LIMITED**

**PROFIT AND LOSS ACCOUNT**  
For The Year Ended 30 June 2007

	Notes	Year ended 30 6 07		Period 1 1 05 to 30 6 06	
		£	£	£	£
<b>TURNOVER</b>	2		<b>60,011</b>		<b>264,311</b>
Cost of sales			<b>2,170</b>		<b>(27,174)</b>
<b>GROSS PROFIT</b>			<b>57,841</b>		<b>291,485</b>
Administrative expenses			<b>150,568</b>		<b>384,531</b>
			<b>(92,727)</b>		<b>(93,046)</b>
Other operating income			<b>98,000</b>		<b>20,000</b>
<b>OPERATING PROFIT/(LOSS)</b>	3		<b>5,273</b>		<b>(73,046)</b>
Income from fixed asset investments		-		15,000	
Interest receivable and similar income		<b>9,062</b>		<b>10,901</b>	
			<b>9,062</b>		<b>25,901</b>
			<b>14,335</b>		<b>(47,145)</b>
Interest payable and similar charges			<b>110</b>		<b>136</b>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			<b>14,225</b>		<b>(47,281)</b>
Tax on profit/(loss) on ordinary activities	4		<b>1,744</b>		<b>-</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<b>12,481</b>		<b>(47,281)</b>

The notes form part of these financial statements

**ABACUS FINANCIAL MANAGEMENT LIMITED**

**BALANCE SHEET**  
**30 June 2007**

	Notes	2007 £	2006 £
<b>CURRENT ASSETS</b>			
Debtors	5	1,637	8,843
Cash at bank and in hand		288,103	267,041
		<u>289,740</u>	<u>275,884</u>
<b>CREDITORS</b>			
Amounts falling due within one year	6	19,055	12,671
		<u>270,685</u>	<u>263,213</u>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		270,685	263,213
<b>PROVISIONS FOR LIABILITIES</b>	8	223,937	228,946
<b>NET ASSETS</b>		<u>46,748</u>	<u>34,267</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	58,185	58,185
Capital redemption reserve	10	381	381
Profit and loss account	10	(11,818)	(24,299)
<b>SHAREHOLDERS' FUNDS</b>		<u>46,748</u>	<u>34,267</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 June 2007

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2007 in accordance with Section 249B(2) of the Companies Act 1985

The director acknowledges his responsibilities for

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the director on

14 April 2008

and were signed by

M E Nicholson - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended 30 June 2007**

**1 ACCOUNTING POLICIES****Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

**Turnover**

Turnover represents commission and brokerage earned on insurance contracts. Income from indemnity commission is recognised in the financial statements on an accruals basis after provision has been set up for commission which is likely to be clawed back within the initial commission earnings period. Non indemnity commission is based on amounts received.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Policy review provisions**

Provision is made for claims received and where it is more likely than not that compensation will be payable

**2 TURNOVER**

The turnover and profit before taxation are attributable to commissions received on the investment and insurance broking activities of the company

**3 OPERATING PROFIT/(LOSS)**

The operating profit (2006 - operating loss) is stated after charging

	Year ended 30 6 07 £	Period 1 1 05 to 30 6 06 £
Depreciation - owned assets	-	18,733
Loss on disposal of fixed assets	-	11,524
Auditors' remuneration	-	9,984
Pension costs	<u>24</u>	<u>(996)</u>
Directors' emoluments and other benefits etc	<u>24</u>	<u>(996)</u>
The number of directors to whom retirement benefits were accruing was as follows		
Money purchase schemes	<u>-</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 30 June 2007

4 TAXATION

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	Year ended 30 6 07 £	Period 1 1 05 to 30 6 06 £
Current tax		
UK corporation tax	1,744	-
Tax on profit/(loss) on ordinary activities	1,744	-

5 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Other debtors	1,637	8,843

6 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Bank loans and overdrafts	206	8,476
Taxation and social security	2,449	695
Other creditors	16,400	3,500
	19,055	12,671

7 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	2007 £	2006 £
Expiring		
In more than five years	-	30,000

8 PROVISIONS FOR LIABILITIES

	2007 £	2006 £
Other provisions		
Policy review provision	223,937	228,946

	Other provisions £
Balance at 1 July 2006	228,946
Policy review provision	(5,009)
Balance at 30 June 2007	223,937

NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 30 June 2007

9 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007 £	2006 £
1,500,000	Ordinary "A"	5p	75,000	75,000
500,000	Ordinary "B"	5p	25,000	25,000
			<u>100,000</u>	<u>100,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	2007 £	2006 £
1,163,700	Ordinary "A"	5p	58,185	58,185
117,000	Ordinary "B"	5p	-	-
			<u>58,185</u>	<u>58,185</u>

The ordinary "A" and "B" shares rank pari passu in all respects subject to restrictions on their issue and transfer

10 RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 July 2006	(24,299)	381	(23,918)
Profit for the year	12,481		12,481
	<u>(11,818)</u>	<u>381</u>	<u>(11,437)</u>

11 RELATED PARTY DISCLOSURES

The company is controlled by M E Nicholson, a director of the company, by virtue of his majority shareholding in the company

Abacus Limited is a related party by virtue of being controlled by M E Nicholson, a director of this company

The companies shared certain overhead expenses and £36,237 (2006 £379,805) was charged by Abacus Financial Management Limited to Abacus Limited in the financial year in this respect £1,393 (2006 £5,550) was outstanding at the balance sheet date

Abacus Investment Solutions Limited is a related party of this company by virtue of being a subsidiary of Abacus Limited

During the year, Abacus Investment Solutions Limited acquired the investment business of Abacus Financial Management Limited for which it agreed to pay 33 33% of the renewal commission received in the following three years £98,000 of this was initially prepaid and is non refundable As a result of this transaction, certain commissions were received by Abacus Financial Management Limited which were required to be paid over to Abacus Investment Solutions Limited Such commissions amounted to £76,889 during the year, of which £9,095 was outstanding at the balance sheet date

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 30 June 2007**

**12 POST BALANCE SHEET EVENTS**

The company's resources are concentrated almost exclusively on dealing with complaints from clients who took out endowment policies up to nineteen years ago, for which it remains fully liable

In finalising these financial statements the director has reappraised the level of provision required for endowment policy complaints based on the latest available information about the number of complaints being received, the outcome of the company's investigations, the number of complaints that are subsequently referred to the Financial Ombudsman Service and the proportion of those that result in compensation being paid by the company

In the opinion of the director, the company still has sufficient capital resources to meet the requirements of its regulator, the Financial Services Authority. These resources may not, however, be sufficient to meet the costs of dealing with past and future complaints and any compensation payments arising if they increase from their current levels. The director is pursuing all courses of action available to the company to ensure that it continues to be able to meet its liabilities as they fall due

Whilst recognising the inherent uncertainties in the company's financial position, the director considers it appropriate to prepare these financial statements on the going concern basis

**CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR  
ON THE UNAUDITED FINANCIAL STATEMENTS OF  
ABACUS FINANCIAL MANAGEMENT LIMITED**

In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 30 June 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the company's director, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's director that we have done so, and state those matters that we have agreed to state to them in this 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 director, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet as at 30 June 2007 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



James Cowper  
Phoenix House  
Bartholomew Street  
Newbury  
Berkshire RG14 5QA

Date 17 April 2008