

Company Registration No. 03907493 (England and Wales)

ABACUS (FINANCIAL CONSULTANTS) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014



ABACUS (FINANCIAL CONSULTANTS) LIMITED

COMPANY INFORMATION

Directors

A J Leon
D M Shalom
G Carey
D E M Mond
A F Smith

Secretary

D E M Mond

Company number

03907493

Registered office

Nelson House
Park Road
Timperley
Altrincham
Cheshire
WA14 5BZ

Auditors

UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

Bankers

The Royal Bank of Scotland
PO Box 356
38 Mosley Street
Manchester
M60 2BE

ABACUS (FINANCIAL CONSULTANTS) LIMITED

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ABACUS (FINANCIAL CONSULTANTS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2014

The directors present the strategic report and financial statements for the year ended 30 June 2014.

Review of the business

The Company made a profit in the year of £1,326,863 (2013 – loss £236,762) after recharges from companies within the ClearDebt Group plc ("Group"). During the year under review the majority of the company's debt management book was sold realising a profit of £2.3m on disposal. We sold the vast part of the book in September 2013 resulting in the loss of substantial debt management income from this date with a loss of the income from the majority of the remaining book which was sold in April 2014 – in total selling some 5,800 clients. As at 30 June 2014, the total number of Debt Management Plans ("DMP") generating income was 205 (2013: 6,187).

We took the decision to sell to take advantage of the unsustainably high prices still being paid at the time before the full implications of the new FCA regime were understood by most in the industry. We have now revised our debt management offering to ensure it meets FCA regulations and guidelines and have recommenced activities to build up the book once again.

The Board has KPIs to monitor the number of active income generating plans as well as the value of monthly payments made by debtors. The costs of acquisition of cases and plans are also monitored closely. We continue to resist the temptation to grow the book through lead sources providing leads at what are, in our view, uneconomic prices.

ABACUS (FINANCIAL CONSULTANTS) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

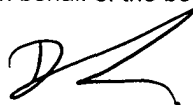
Principal risks and uncertainties

All businesses face a range of risks and uncertainties, being subject to risk factors from internal and external sources. The directors consider the likelihood and significance of risk factors when putting in place risk management procedures to ensure risk mitigation.

The following are considered to be the key risks facing the Company:-

1. Compliance - the industry is adapting to a strict new compliance regime under the FCA under which companies and their referral partners have to apply for the first time for Full permissions from the FCA to continue to trade. Our licence application has to be submitted by 31 December 2014 and we expect to receive Full Permission in the 6 months following submission. There are therefore risks that Full Permission may not be received or restrictions are placed upon our activities. In addition there are risks that some of our key referral partners may not achieve licence approval. We have invested heavily in our compliance regime over the last 12 months and we are also providing advice and assistance to those referral partners we have carefully selected to help them meet the standards required by the FCA.
2. Competition - the market for debt resolution solutions remains highly competitive. The Company seeks to manage the risk of losing referrers through providing innovative solutions supported by high quality delivery. The Company's main marketing channels continue to be the internet and referrals and the Company monitors closely the strategies of competitors and the prices paid in the market place and reacts appropriately where necessary.
3. Funding arrangements - the Company monitors cash flow as part of its normal activities. Cash flow positions are discussed with the directors on a monthly basis to ensure that all possible treasury benefits are being taken and facilities are available if necessary. Advertising and marketing spend is monitored closely as it is a key component of funding requirements.
4. Economic environment - the current economic climate remains favourable as the market for indebted consumers is likely to continue to grow in the next few years although the amount of disposable income that consumers have available for solutions remains subdued - leading to pressure on margins.
5. Creditor pressure - Creditors can restrict the market for personal debt resolutions by refusing to agree to proposals which they do not deem acceptable. This can have the effect of restricting approvals and therefore the timing of fees. The Company is actively involved in talking to creditors constantly to ensure that all company products are in line with creditor approval criteria as much as possible.

On behalf of the board



D M Shalom
Director

21 November 2014

ABACUS (FINANCIAL CONSULTANTS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2014

The directors present their report and financial statements for the year ended 30 June 2014.

Principal activities

The principal activity of the company during the period was the provision of debt management services.

Results and dividends

The results for the year are set out on page 7.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 July 2013:

A J Leon
D M Shalom
G Carey
D E M Mond
A F Smith

There is no third party indemnity insurance in place for the directors.

Auditors

UHY Hacker Young Manchester LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 (FINANCIAL CONSULTANTS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Chief Executive's Statement in the Annual Report and accounts for ClearDebt Group plc. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the Company's parent ClearDebt Group plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the ClearDebt Group plc to continue as a going concern or its ability to continue with the current banking arrangements. The parent company directors have produced sensitivities to their forecasts to test the ability of the Group to trade as a going concern for at least the following 12 months. In addition, D E M Mond has provided the Board of ClearDebt Group plc with an undertaking of support in the event that the Group should require additional finance.

The financial statements are prepared on a going concern basis, which assumes the Company will continue in operational existence for the foreseeable future.

On behalf of the board



D M Shalom

Director

21 November 2014

ABACUS (FINANCIAL CONSULTANTS) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ABACUS (FINANCIAL CONSULTANTS) LIMITED

We have audited the financial statements of Abacus (Financial Consultants) Limited for the year ended 30 June 2014 set out on pages 7 to 20. 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 auditors' 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 Directors' Responsibilities Statement set out on pages 3 - 4, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its profit for the year 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ABACUS (FINANCIAL CONSULTANTS) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ABACUS (FINANCIAL CONSULTANTS) LIMITED

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 from branches not visited by us; or
- 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.



Michael Wasinski (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

21 November 2014

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

ABACUS (FINANCIAL CONSULTANTS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2014

| | Notes | 2014 £ | 2013 £ |
|---|-----------|------------------|------------------|
| Turnover | 2 | 1,873,013 | 4,003,389 |
| Cost of sales | | (1,948,891) | (3,617,223) |
| Gross (loss)/profit | | (75,878) | 386,166 |
| Administrative expenses | | (483,527) | (691,573) |
| Operating loss | 3 | (559,405) | (305,407) |
| Back book sale | | 2,280,455 | - |
| Profit/(loss) on ordinary activities before interest | | 1,721,050 | (305,407) |
| Other interest receivable and similar income | 4 | 1,176 | - |
| Interest payable and similar charges | 5 | (213) | - |
| Profit/(loss) on ordinary activities before taxation | | 1,722,013 | (305,407) |
| Tax on profit/(loss) on ordinary activities | 6 | (395,150) | 68,645 |
| Profit/(loss) for the year | 15 | 1,326,863 | (236,762) |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ABACUS (FINANCIAL CONSULTANTS) LIMITED

BALANCE SHEET

AS AT 30 JUNE 2014

| | Notes | 2014 £ | £ | 2013 £ | £ |
|--|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Intangible assets | 7 | | - | 375,902 | |
| Tangible assets | 8 | | 23,889 | 35,817 | |
| | | | <u>23,889</u> | <u>411,719</u> | |
| Current assets | | | | | |
| Debtors: amounts falling due within one year | 9 | 2,051,568 | | 97,815 | |
| Debtors: amounts falling due after more than one year | 9 | - | | 1,745,636 | |
| Cash at bank and in hand | | 6,393 | | 3,977 | |
| | | <u>2,057,961</u> | | <u>1,847,428</u> | |
| Creditors: amounts falling due within one year | 10 | (507,910) | | (380,374) | |
| Net current assets | | | <u>1,550,051</u> | | <u>1,467,054</u> |
| Total assets less current liabilities | | | <u>1,573,940</u> | | <u>1,878,773</u> |
| Creditors: amounts falling due after more than one year | 11 | | - | (1,639,937) | |
| | | | <u>1,573,940</u> | | <u>238,836</u> |
| Capital and reserves | | | | | |
| Called up share capital | 14 | | 100 | | 100 |
| Other reserves | 15 | | 119,439 | | 111,198 |
| Profit and loss account | 15 | | 1,454,401 | | 127,538 |
| Shareholders' funds | 16 | | <u>1,573,940</u> | | <u>238,836</u> |

Approved by the Board and authorised for issue on 21 November 2014



D M Shalom
Director

Company Registration No. 03907493

ABACUS (FINANCIAL CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The directors, having assessed the responses of the directors of the Company's parent ClearDebt Group plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the ClearDebt Group plc to continue as a going concern or its ability to continue with the current banking arrangements. The parent company directors have produced sensitivities to their forecasts to test the ability of the Group to trade as a going concern for at least the following 12 months. In addition, D E M Mond has provided the Board of ClearDebt Group plc with an undertaking of support in the event that the Group should require additional finance.

The directors believe that the use of the going concern basis of accounting is appropriate based upon a review of these forecasts and the finance available to the Group.

Cash flow statement

The directors have taken advantage of Financial Reporting Standard 1 from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned subsidiary of an EU parent and its parent publishes a consolidated cash flow statement.

1.2 Turnover and revenue recognition

Fees are receivable for the management of debts on behalf of clients experiencing financial difficulties. Fees are recognised upon receipt of client payments on the basis that these arrangements are informal and there is no certainty that economic benefits will accrue until a payment is received.

The company also received commission income from the referral of loans and other products. Commissions are recognised as they fall due.

1.3 Intangible fixed assets and amortisation

Externally acquired intangible assets are initially recognised at fair value and subsequently amortised over their useful economic lives. The intangibles recognised by the Company and their useful economic lives are as follows:-

Back book debt management cases - 12-18 months straight line

The carrying values of intangible assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1.4 Negative goodwill

Where the fair value of the separable net assets exceeds the fair value of the consideration, the difference is treated as negative goodwill and is capitalised and amortised through the profit and loss account in the period in which the non-monetary assets required are recovered. In the case of fixed assets, this is the period over which they are depreciated, and in the case of current assets, the period over which they are sold or otherwise realised.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their expected useful lives on the following bases:

| | |
|------------------------|-------------------|
| Leasehold improvements | 25% straight line |
| Fixtures and fittings | 25% straight line |

ABACUS (FINANCIAL CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

1 Accounting policies

(Continued)

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax arrangements in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is calculated based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date and is measured on a non-discounted basis.

1.8 Share-based compensation

The parent company operates an equity-settled, share based compensation plan.

Equity-settled share-based payments are measured at the fair value of services received in exchange for the grant of options or warrants. The fair value determined is recognised as an expense if it relates to trading activities or in the share premium account if it relates to the issue of equity instruments. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options or warrants granted, excluding the impact of any non-market vesting conditions (for example, profitability and growth targets). Non-market vesting conditions are included in the assumptions about the number of options or warrants that are expected to become exercisable.

At each reporting date, the Group revises its estimates of the number of options or warrants that are expected to become exercisable. The Company recognises the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to reserves over the remaining vesting period.

The proceeds received net of any attributed transaction costs are credited to share capital (nominal value) and share premium when the options or warrants are exercised. Non vesting conditions which are not satisfied during the vesting period, are treated as cancellations and any remaining expense is accelerated in the period of failure.

Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

2 Turnover

The whole of the turnover is attributable to the one principal activity of the company. All turnover originated in the United Kingdom.

ABACUS (FINANCIAL CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

| | | | |
|----------|--|---------------|---------------|
| 3 | Operating loss | 2014 | 2013 |
| | | £ | £ |
| | Operating loss is stated after charging: | | |
| | Amortisation of intangible assets | 144,466 | 68,297 |
| | Depreciation of tangible assets | 10,660 | 31,374 |
| | Loss on disposal of tangible assets | 4,899 | 3,157 |
| | Operating lease rentals | 26,814 | 13,482 |
| | Auditors' remuneration (including expenses and benefits in kind) | 15,995 | 18,033 |
| | | <u>15,995</u> | <u>18,033</u> |
| | Auditors' remuneration | | |
| | Fees payable to the company's auditor for the audit of the company's annual accounts | 15,995 | 18,033 |
| | Other services | - | 1,000 |
| | | <u>15,995</u> | <u>19,033</u> |
| 4 | Investment income | 2014 | 2013 |
| | | £ | £ |
| | Bank interest | 1,176 | - |
| | | <u>1,176</u> | <u>-</u> |
| 5 | Interest payable | 2014 | 2013 |
| | | £ | £ |
| | On overdue tax | 213 | - |
| | | <u>213</u> | <u>-</u> |

ABACUS (FINANCIAL CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

| 6 | Taxation | 2014 £ | 2013 £ |
|---|--|------------------|------------------|
| | Domestic current year tax | | |
| | U.K. corporation tax | 391,139 | (51,872) |
| | Adjustment for prior years | (1,066) | (13,749) |
| | Total current tax | <u>390,073</u> | <u>(65,621)</u> |
| | Deferred tax | | |
| | Origination and reversal of timing differences | 5,077 | (3,024) |
| | | <u>395,150</u> | <u>(68,645)</u> |
| | Factors affecting the tax charge for the year | | |
| | Profit/(loss) on ordinary activities before taxation | <u>1,722,013</u> | <u>(305,407)</u> |
| | Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.50% (2013 - 23.75%) | <u>387,453</u> | <u>(72,534)</u> |
| | Effects of: | | |
| | Non deductible expenses | 5,592 | 5,887 |
| | Depreciation add back | 3,583 | - |
| | Capital allowances | (3,860) | - |
| | Adjustments to previous periods | (1,066) | (13,749) |
| | Other tax adjustments | (1,629) | 14,775 |
| | | <u>2,620</u> | <u>6,913</u> |
| | Current tax charge/(credit) for the year | <u>390,073</u> | <u>(65,621)</u> |

ABACUS (FINANCIAL CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

7 Intangible fixed assets

| | Debt management - back books £ | Intangible assets £ | Total £ |
|---------------------------|---|---------------------------|-------------|
| Cost | | | |
| At 1 July 2013 | 1,703,481 | (132,266) | 1,571,215 |
| Additions | 234,204 | - | 234,204 |
| Disposals | (1,937,685) | 132,266 | (1,805,419) |
| At 30 June 2014 | - | - | - |
| Amortisation | | | |
| At 1 July 2013 | 1,327,579 | (132,266) | 1,195,313 |
| Amortisation on disposals | (1,472,045) | 132,266 | (1,339,779) |
| Charge for the year | 144,466 | - | 144,466 |
| At 30 June 2014 | - | - | - |
| Net book value | | | |
| At 30 June 2014 | - | - | - |
| At 30 June 2013 | 375,902 | - | 375,902 |

During the year, the company sold the majority of its debt management clients, which included its entire acquired back book and negative goodwill for £2,819,035 generating a profit of £2,280,455.

The disposal of the debt management - back books is not considered to be a discontinued operation under UK GAAP as the disposal does not satisfy all the conditions set out in FRS 3 Reporting financial performance, on the basis that the activity has not ceased permanently.

ABACUS (FINANCIAL CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

8 Tangible fixed assets

| | Leasehold improvements £ | Fixtures and fittings £ | Total £ |
|-----------------------|--------------------------------|-------------------------------|------------|
| Cost | | | |
| At 1 July 2013 | 8,503 | 70,082 | 78,585 |
| Additions | - | 3,997 | 3,997 |
| Disposals | (8,503) | (12,375) | (20,878) |
| At 30 June 2014 | - | 61,704 | 61,704 |
| Depreciation | | | |
| At 1 July 2013 | 6,513 | 36,255 | 42,768 |
| On disposals | (8,503) | (7,110) | (15,613) |
| Charge for the year | 1,990 | 8,670 | 10,660 |
| At 30 June 2014 | - | 37,815 | 37,815 |
| Net book value | | | |
| At 30 June 2014 | - | 23,889 | 23,889 |
| At 30 June 2013 | 1,990 | 33,827 | 35,817 |

| 9 Debtors | 2014 £ | 2013 £ |
|---|------------------|------------------|
| Trade debtors | 26,341 | 21,116 |
| Amounts owed by parent and fellow subsidiary undertakings | 1,971,945 | 1,745,636 |
| Other debtors | 26,561 | 24,079 |
| Prepayments and accrued income | 17,644 | 38,466 |
| Deferred tax asset (see note 12) | 9,077 | 14,154 |
| | <u>2,051,568</u> | <u>1,843,451</u> |

Amounts falling due after more than one year and included in the debtors above are:

| | 2014 £ | 2013 £ |
|------------------------------------|-----------|-----------|
| Amounts owed by group undertakings | - | 1,745,636 |

ABACUS (FINANCIAL CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

| 10 Creditors: amounts falling due within one year | 2014 £ | 2013 £ |
|---|----------------|----------------|
| Trade creditors | 52,480 | 98,878 |
| Corporation tax | 391,139 | 9,371 |
| Other taxes and social security costs | 42,791 | 81,086 |
| Accruals and deferred income | 21,500 | 191,039 |
| | <u>507,910</u> | <u>380,374</u> |

| 11 Creditors: amounts falling due after more than one year | 2014 £ | 2013 £ |
|--|-----------|------------------|
| Other loans | - | 1,639,937 |
| | <u>-</u> | <u>1,639,937</u> |
| Analysis of loans | | |
| Wholly repayable within five years | - | 1,639,937 |
| | <u>-</u> | <u>1,639,937</u> |
| Loan maturity analysis | | |
| In more than two years but not more than five years | - | 1,639,937 |
| | <u>-</u> | <u>1,639,937</u> |

12 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows:

| | 2014 £ | 2013 £ |
|--|----------------|-----------------|
| Balance at 1 July 2013 & at 30 June 2014 | <u>(9,077)</u> | |
| | | |
| Decelerated capital allowances | <u>(9,077)</u> | <u>(14,154)</u> |

ABACUS (FINANCIAL CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

13 Share-based payment transactions

The company recognised the expense in note 15 below related to the share-based payments in the year with regard to the issue of EMI share options by the parent company to certain directors and employees of Abacus (Financial Consultants) Limited. The parent Company has granted equity settled share options to selected directors and employees under an EMI scheme. The exercise price is the market value of the shares at the date of grant. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant then they are forfeited.

At 30 June 2014 there were 14,112,500 (2013 - 15,125,000) share options outstanding over the Company's ordinary shares at a weighted average exercise price of 1.89p per share.

Further details of the share option plans are as follows:

| | Number of options | Weighted average exercise price | Number of options | Weighted average exercise price |
|-----------------------------|----------------------|---------------------------------------|----------------------|---------------------------------------|
| | 2014 | 2014 £ | 2013 | 2013 £ |
| At 1 July 2013 | 15,125,000 | 0.02 | 16,625,000 | 0.02 |
| Forfeited | (1,012,500) | - | (1,500,000) | 0.02 |
| Outstanding at 30 June 2013 | 14,112,500 | 0.02 | 15,125,000 | 0.02 |
| Exercised at 30 June 2013 | 8,687,500 | 0.02 | 8,000,000 | 0.02 |

These share options are normally exercisable between 7 October 2012 and 31 October 2021 providing the employee has been in continuous service for 3 years following the granting of the options.

The options outstanding at 30 June 2014 had a weighted average exercise price of 1.89p and a weighted average remaining contractual life of 6 years and 2 months.

| 14 Share capital | 2014 £ | 2013 £ |
|------------------------------------|-----------|-----------|
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | 100 | 100 |

ABACUS (FINANCIAL CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

15 Statement of movements on reserves

| | Other reserves (see below) £ | Profit and loss account £ |
|--------------------------|---------------------------------------|------------------------------------|
| Balance at 1 July 2013 | 111,198 | 127,538 |
| Profit for the year | - | 1,326,863 |
| Movement during the year | 8,241 | - |
| Balance at 30 June 2014 | 119,439 | 1,454,401 |

Other reserves

Capital contribution reserve

The Company recognised the following expense related to share-based payments in the year relating to the issue of EMI share options in the parent company to certain directors and employees of the Company.

| | |
|--------------------------|---------|
| Balance at 1 July 2013 | 111,198 |
| Share based compensation | 8,241 |
| Balance at 30 June 2014 | 119,439 |

16 Reconciliation of movements in shareholders' funds

| | 2014 £ | 2013 £ |
|--|-----------|-----------|
| Profit/(Loss) for the financial year | 1,326,863 | (236,762) |
| Movements on other reserves | 8,241 | 17,246 |
| Net addition to/(depletion in) shareholders' funds | 1,335,104 | (219,516) |
| Opening shareholders' funds | 238,836 | 458,352 |
| Closing shareholders' funds | 1,573,940 | 238,836 |

ABACUS (FINANCIAL CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

17 Financial commitments

At 30 June 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2015:

| | Land and buildings | | Other | |
|--------------------------------|--------------------|---------------|---------------|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Operating leases which expire: | | | | |
| Within one year | - | - | 2,960 | - |
| Between two and five years | - | 55,125 | 7,277 | 34,384 |
| | <u>-</u> | <u>55,125</u> | <u>10,237</u> | <u>34,384</u> |
| | <u>-</u> | <u>55,125</u> | <u>10,237</u> | <u>34,384</u> |

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

| | 2014 Number | 2013 Number |
|----------------------|----------------|----------------|
| Directors | 5 | 5 |
| Administrative staff | 52 | 85 |
| | <u>57</u> | <u>90</u> |

Employment costs

| | 2014 £ | 2013 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,425,636 | 2,123,753 |
| Social security costs | 162,022 | 205,881 |
| | <u>1,587,658</u> | <u>2,329,634</u> |

The directors of the company do not receive any remuneration but are remunerated for their services by other companies within the ClearDebt Group plc.

ABACUS (FINANCIAL CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

19 Control

ClearDebt Group plc is the immediate and ultimate holding company, a company registered in England and Wales. This is the smallest and largest group for which consolidated accounts are presented.

A copy of the accounts is available at Companies House, Maindy, Cardiff or can be downloaded from www.cleardebtgroup.co.uk.

D E M Mond is the ultimate controlling party by virtue of his controlling interest in the parent company, ClearDebt Group plc.

20 Post balance sheet events

In August 2014, the Company transferred a further block of some 100 Debt management plans to a third party for cash pursuant to the agreement in April 2014. The sale is expected to realise a profit on disposal of approximately £50,000 after rationalisation and other sale costs in respect of the Abacus business.

ABACUS (FINANCIAL CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

21 Related party relationships and transactions

The directors have taken advantage of the exemption under FRS8 which does not require disclosure of related party transactions entered into between two members of a Group where the parties to the transaction are wholly owned by the Group.

D E M Mond is the owner of Hodgsons, Chartered Accountants. During the year £34,767 (2013 - £31,706) was re-charged by Hodgsons to Abacus in respect of items purchased by Hodgsons on its behalf. Abacus recharged Hodgsons £nil (2013 - £23,490) for expenses paid by Abacus on behalf of Hodgsons in the year. At the year end Abacus owed Hodgsons £25,636 (2013 - £21,308) and these balances are included in other debtors and trade creditors. No interest is charged on these amounts.

S Mond is a director of and materially interested in Money Mayday Limited and is also a director of a fellow subsidiary company. During the year the company incurred expenses of £11,536 (2013 - £nil) on behalf of Money Mayday Limited and at the year end £11,536 (2013 - £nil) was still outstanding in debtors.