

**Company number 04397363**

**ABACUS TEN LIMITED**

**Annual Report and Financial Statements**

**Year ended 31 October 2011**

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# **ABACUS TEN LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

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# **ABACUS TEN LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2011**

### **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 October 2011. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

#### **Incorporation**

The company was incorporated in the United Kingdom on 18 March 2002.

#### **Principal activities**

The principal activities of the company are those of a provider of financial consulting services.

#### **Review of business and future developments**

The company's primary role is to act as a financial consultant to clients. 2011 has been a year of transition for the business in which it has transferred a significant proportion of clients to RBC Investment Management UK Limited (RBIM UK) or exited them completely as part of a strategic decision to introduce Abacus Ten Limited clients to a wider range of RBC Wealth Management services through RBIM UK. Abacus Ten Limited ceased advising clients as of 30 September 2011 due to the cancellation of its regulatory licence and the company will be wound down in 2012.

#### **Results and dividends**

The profit for the year, after taxation amounted to £124,357 (year ended 2010: £256,035).

No dividend was paid in the year ended 31 October 2011 (year ended 2010: £Nil).

#### **Going Concern**

As of 30 September 2011 Abacus Ten Limited no longer holds a regulatory licence to provide independent finance advice and therefore no longer generates revenues. The companies' clients have been or are being transferred to RBIM UK which is authorised and regulated by the Financial Services Authority to provide advice on and arrange deals in investments.

The company is planned for liquidation and closure during 2012.

#### **Directors' responsibilities for the financial statements**

The directors are responsible for preparing the Annual 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 judgments 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# **ABACUS TEN LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2011**

### **DIRECTORS' REPORT - continued**

#### **Directors' responsibilities for the financial statements - continued**

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Directors**

The following served as directors of the company during the year:

T Maeter  
A H H Pettigrew  
P F M Egan

None of the directors has any interest in the shares of the company or any other group company that are required to be disclosed in accordance with the Companies Act 2006.

#### **Secretary**

The secretary of the company at 31 October 2011 was O Adejumo.

#### **Auditors**

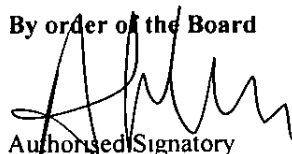
Deloitte LLP have expressed their willingness to continue in office.

Each of the persons who is a director at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
2. the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

By order of the Board



Authorised Signatory  
Oluremi Adejumo  
Secretary

**Registered Office**  
Riverbank House  
2 Swan Lane  
London  
EC4R 3BF

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABACUS TEN LIMITED**

We have audited the financial statements of Abacus Ten Limited for the year ended 31 October 2011, which have been prepared on a basis other than going concern and which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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. 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 31 October 2011 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.

### **Emphasis of matter – Financial statements are prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

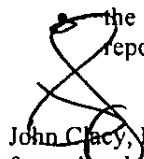
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year 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 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.

  
John Clacy, BSc, FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
St Helier, Jersey

Date

10th Feb 2012

# ABACUS TEN LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

### PROFIT AND LOSS ACCOUNT For the year ended 31 October 2011

		2011	2010
	Notes	£	£
<b>Fees and other income receivable</b>		178,334	1,343,374
Staff costs and similar charges	3	86,539	(620,787)
<b>Gross profit</b>		<u>264,873</u>	<u>722,587</u>
Other expenditure		(89,451)	(347,367)
<b>Operating profit</b>		<u>175,422</u>	<u>375,220</u>
Interest expense	4	(3,945)	(1,143)
<b>Profit on ordinary activities before taxation</b>	2	<u>171,477</u>	<u>374,077</u>
Taxation on ordinary activities	5	(47,120)	(118,042)
<b>Profit on ordinary activities after taxation</b>		<u>124,357</u>	<u>256,035</u>

All activities derive from discontinued operations

There are no other movements in shareholders' funds for the current or prior financial year other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses has been prepared.

The notes on pages 6 to 9 inclusive form part of these financial statements

# ABACUS TEN LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

### BALANCE SHEET As at 31 October 2011

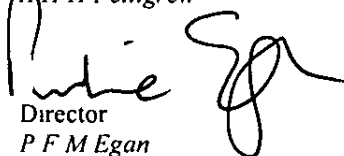
	Notes	£	2011 £	£	2010 £
<b>Current assets</b>					
Debtors	6	95,372		1,006,557	
Cash at bank		1,041,627		779,385	
		<u>1,136,999</u>		<u>1,785,942</u>	
<b>Creditors:</b>					
Amounts falling due within one year	7	(226,148)		(599,448)	
<b>Net current assets</b>			<u>910,851</u>		<u>1,186,494</u>
<b>Total assets less current liabilities</b>			<u>910,851</u>		<u>1,186,494</u>
<b>Creditors</b>					
Amounts falling due after one year	8		-		(400,000)
<b>Net Assets</b>			<u>910,851</u>		<u>786,494</u>
<b>Capital and reserves</b>					
Called-up share capital	9		500,000		500,000
Profit and loss account	10		410,851		286,494
<b>Shareholder's funds</b>	10		<u>910,851</u>		<u>786,494</u>

The financial statements on pages 4 to 10 inclusive were approved and authorised for issue by the board of directors on 10<sup>th</sup> February 2012

Signed on behalf of the Board of Directors



Director  
A H H Pettigrew



Director  
P F M Egan

Company Number 4397363

The notes on pages 6 to 9 inclusive form part of these financial statements

# **ABACUS TEN LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2011**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared on a basis other than going concern, as explained in the Going concern note below.

##### **Fees receivable**

Fees are recognised on an accruals basis.

##### **Going concern**

The company is no longer considered to be a going concern as it is the intention of the Directors to liquidate the company as soon as practicable. Accordingly, the Directors have prepared the accounts on a basis other than going concern which includes where applicable writing down the company's net assets to a net realisable value. The financial statements do not include any provision for the future costs of terminating the business except to the extent that such costs were committed at the balance sheet date.

##### **Cash flow statement**

The company is ultimately owned by Royal Bank of Canada and is included in the consolidated financial statements of Royal Bank of Canada, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the exemptions available in Financial Reporting Standard No. 1 "Cash Flow Statements" (revised 1996).

##### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be recovered (or paid) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The standard rate of corporation tax was 28 percent with effect from 1 April 2008.

##### **Deferred taxation**

Deferred tax is recognised in respect of 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 group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date.

##### **Related party transactions**

Under Financial Reporting Standard No. 8 "Related Party Disclosures" the company is exempt from the requirement to disclose related party transactions within the group on the grounds that 100% of the voting rights are controlled within the group and the consolidated financial statements of the ultimate parent company are publicly available.



# ABACUS TEN LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS – continued For the year ended 31 October 2011

#### 1. Foreign currency translation

Assets, liabilities, revenues and costs arising from transactions denominated in foreign currencies are translated into sterling at the exchange rate in operation on the date when the transaction occurred. At each balance sheet date monetary assets and liabilities denominated in a foreign currency are translated to sterling at the closing rate.

Foreign exchange gains and losses are included in the profit and loss account.

#### 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011 £	2010 £
Profit on ordinary activities before taxation is stated after charging Auditors' remuneration	5,500	2,912

#### 3. REMUNERATION OF DIRECTORS AND EMPLOYEES

	2011 £	2010 £
Director Emoluments	507,234	331,836
	<u>507,234</u>	<u>331,836</u>

The 2011 remuneration for the one director of the company, excluding pension contributions was £507,234 (2010 £331,836)

	2011 £	2010 £
Salaries and Bonuses	(164,959)	492,649
Other benefits	78,420	128,138
	<u>(86,539)</u>	<u>620,787</u>

The average number of persons working full time for the company during the year was 0.7 (2010 1). All employees operated in investment management or related activities.

#### 4. INTEREST EXPENSE

	2011 £	2010 £
Bank and other interest expense	(3,945)	(1,143)

# ABACUS TEN LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS - continued For the year ended 31 October 2011

5.	TAX ON ORDINARY ACTIVITIES	2011 £	2010 £
	<b>Current tax</b>		
	UK Corporation tax	61,108	97,525
	Prior Year Adjustment	(13,988)	20,517
		<u>47,120</u>	<u>118,042</u>
	Deferred tax	-	-
	<b>Total tax on profit on ordinary activities</b>	<u>47,120</u>	<u>118,042</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2011 £	2010 £
<b>Profit on ordinary activities before tax</b>	<u>171,477</u>	<u>374,077</u>
Tax on profit on ordinary activities at standard UK Corporation tax rate of 26.83% (2010: 28%)	46,008	104,742
Effects of		
Effect of expenses not deductible for tax	510	(7,217)
Prior Year adjustments	602	20,517
Current tax charge for the year	<u>47,120</u>	<u>118,042</u>

6.	DEBTORS	2011 £	2010 £
	<b>Amount due within 12 months</b>		
	Prepayments and accrued income	95,372	1,006,557

7.	CREDITORS:	2011 £	2010 £
	<b>Amounts falling due within one year</b>		
	Amounts owed to group undertakings	13,591	56,440
	Accruals and deferred income	151,449	445,483
	Tax Payable	61,108	97,525
		<u>226,148</u>	<u>599,448</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand

# ABACUS TEN LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 October 2011

#### 8. CREDITORS:

Amounts falling due after one year

2011  
£

2010  
£

Group subordinated loan

-

400,000

In October 2011 RBC Trust Company (International) Limited were repaid the subordinated loan facility of £400,000. Under the terms of the agreement, the facility was interest free, unsecured and subject to a minimum notice period of 2 years.

#### 9 CALLED-UP SHARE CAPITAL

2011  
£

2010  
£

Allotted, called up and fully paid  
500,000 ordinary shares of £1 each

500,000

500,000

#### 10. RECONCILIATION OF MOVEMENTS IN RESERVES AND SHAREHOLDER'S FUNDS

	Share Capital	Profit and loss Account	Shareholder's funds
	£	£	£
At 1 November 2010	500,000	286,494	786,494
Profit for the year	-	124,357	124,357
At 31 October 2011	500,000	410,851	910,851

#### 11 PENSIONS

The company operates a defined contribution arrangement for current employees. The cost to the company in the year to 31 October 2011 was £3,573 (2010 £29,864). As at 31 October 2011 outstanding contributions amounted to £Nil (2010 £Nil).

#### 12. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of RBC Investment Solutions (CI) Limited, a company incorporated in Guernsey, Channel Islands.

The company's ultimate parent company and controlling party is Royal Bank of Canada, which is incorporated in Canada. The largest group in which the results of the company are consolidated is that headed by The Royal Bank of Canada. The consolidated financial statements of this group are available to the public and can be obtained from the company's offices at:

Royal Bank of Canada  
PO Box 1  
Royal Bank Plaza  
Toronto  
Ontario M5J 2J5  
Canada