

ABACUS FINANCIAL LIMITED

Abbreviated accounts

31 December 2008



ABBREVIATED BALANCE SHEET
31 December 2008

	Note	2008 £	As restated 2007 £
FIXED ASSETS			
Tangible assets	1	84,679	86,491
CURRENT ASSETS			
Debtors	2	43,296	26,762
Cash at bank and in hand		8,054	10,746
		51,350	37,508
CREDITORS : amounts falling due within one year	3	(54,329)	(20,828)
NET CURRENT (LIABILITIES)/ASSETS		(2,979)	16,680
TOTAL ASSETS LESS CURRENT LIABILITIES		81,700	103,171
CREDITORS : amounts falling due within one year	3	(64,807)	(61,511)
PROVISIONS FOR LIABILITIES AND CHARGES	7	(12,837)	(46,089)
NET ASSETS		4,056	(4,429)
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss account		3,956	(4,529)
SHAREHOLDERS' FUNDS		4,056	(4,429)

For the year ended 31 December 2008 the company is entitled to the exemption provided by section 249A(1) of the Companies Act 1985 and its members have not required the company to obtain an audit of these accounts in accordance with section 249B(2).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions under Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Board of Directors on 22 July 2009 and we confirm that we have made available all relevant records and information for their preparation.

Signed on behalf of the Board of Directors



Mrs J K Duffy

Director

STATEMENT OF ACCOUNTING POLICIES

31 December 2008

The principal accounting policies are summarised below. They have been applied consistently throughout the year and where applicable, the previous financial year.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Value added tax

The company is not registered for VAT purposes and accordingly any irrecoverable VAT is charged to appropriate expense in the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on cost less estimated residual value, over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold property	-	2% straight line
Furniture and equipment	-	20% reducing balance
Computer equipment	-	33% straight line basis

Web site development costs

Design and content development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of economic benefits that will be generated in the period until the design and content are next updated, the cost of developing the design and content are charged to the profit and loss account as incurred.

Taxation

Current tax, including UK corporation and foreign tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 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. Deferred tax is measured on a non-discounted basis.

Operating leases

Operating lease rentals are charged to the profit and loss in equal annual amounts over the term of the lease.

Provisions

Provisions are set up only where it is probable that a present obligation exists as a result of an event prior to the balance sheet date and that a payment will be required in settlement that can be estimated reliably. Where material, provisions are calculated on a discounted basis.

STATEMENT OF ACCOUNTING POLICIES

31 December 2008

Pensions

The pension costs charged in the financial statements represent the contributions payable to a defined contribution pension scheme by the company during the year in accordance with FRS17. For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Turnover

Turnover represents amounts derived from the provision of services which fall within the company's ordinary activities. Commissions revenue is recognised in the financial statements on the date when the company is notified completion has occurred on mortgage arrangements and when the underlying policy has commenced for insurance products, subject to being placed on risk.

NOTES TO THE ACCOUNTS

31 December 2008

1. TANGIBLE FIXED ASSETS

	Total £
Cost	
At 1 January 2008	89,853
Additions	140
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At 31 December 2008	89,993
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Accumulated depreciation	
At 1 January 2008	3,362
Charge for the year	1,952
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At 31 December 2008	5,314
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Net book value	
At 31 December 2008	84,679
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At 31 December 2007	86,491
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The freehold property with a net book value of £81,603 (2007 - £82,431) are held under a charge as security on the company's borrowings – see note 3.

2. DEBTORS

All amounts are due within one year.

Included withing debtors are amounts of £21,398 (2007 - £2,466) due equally from the directors' of the company. The maximum amount outstanding during the period was Mr M Fleming Duffy £10,699 (2007- £3,958) and Mrs JK Duffy £10,699 (2007 - £4,983).

	2008 £	2007 £
Mr M Femming Duffy	10,699	1,233
Mrs JK Duffy	10,699	1,233

It is intended to repay any amounts outstanding to the company by 31st August 2009. The amount outstanding at 31 December 2007 was repaid on 5 April 2008.

The directors loans are unsecured and have no fixed date for repayment. From 9th April 2008 the directors agreed to pay the company interest at 2% above the prevailing Lloyds TSB Bank PLC base rate on any future indebtedness to the company until such time as amounts were fully repaid. This is considered to be an arms length commercial rate of interest. Interest paid to the company by the directors for the period 9th April 2008 to 31 December 2008 amounted to £628 (2007 - £nil).

3. CREDITORS

Personal guarantees have been given by the directors in respect of overdraft and loan facilities provided by the company's bankers.

	2008 £	2007 £
Falling due within one year	1,121	4,417
Falling due after one year	64,807	61,511
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Amounts payable after five years are £60,323 (2007 - £43,843).

NOTES TO THE ACCOUNTS

31 December 2008

4 CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised:		
100 ordinary shares of £1.00 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
100 ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

5 RELATED PARTY TRANSACTIONS

The company is jointly controlled by its directors, Mr M D Flemming Duffy and Mrs JK Duffy, who own 50% each of the issued share capital of the company. The directors loans are unsecured, interest free and have no fixed date for repayment.

Personal guarantees have been given by the directors in respect of overdraft and loanes provided by the company's bankers.

6. PRIOR PERIOD ADJUSTMENT – DEFERRED TAX

The accounts have been restated to incorporate the impact of deferred tax now provided on the clawback provision. Previously this was not provided as the company did not have to comply with Financial Reporting Standard (FRS) 19 whilst preparing accounts under the Financial Reporting Standard For Smaller Entities.

The changes made have resulted in the following adjustment to the reported profits for the current and previous financial years.

The items which required adjustment and have been restated are as follows:-

		2007 £	Prior period adjustment £	As restated 2007 £
Tax on profit on ordinary activities		6,415	7,483	13,898
Provisions for liabilities and charges	Note 7	(38,606)	<u>(7,483)</u>	<u>(46,089)</u>
Prior year adjustment – change in profits for the financial year			<u>7,483</u>	

NOTES TO THE ACCOUNTS

31 December 2008

7. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £	Clawbacks £	Total £
At 1 January 2008	84	38,522	38,606
Prior period adjustment – see note 6	7,483	-	7,483
At 1 January 2008 – as restated	7,567	38,522	46,089
Charged to profit and loss account	(5,299)	7,353	2,054
Released in year	-	(17,021)	(17,021)
Utilised in year	-	(16,789)	(16,789)
Adjustment arising from discounting	-	(1,496)	(1,496)
At 31 December 2008	2,268	10,569	12,837
	As restated		
	2008	2007	
Deferred tax is provided as follows:	£	£	
Clawback provision	2,219	7,483	
Accelerated capital allowances	49	84	
At 31 December 2008	2,268	7,567	

The provision for clawbacks on commission relates to the probable amounts repayable on cancellation of policies.