

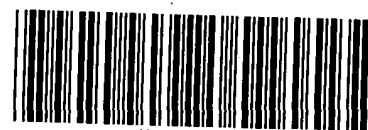
Registered number: 2278260

**ABACUS GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 2 JULY 2016**

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COMPANIES HOUSE

**ABACUS GROUP LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

M McCoy  
P Bielefeld  
G McBeth

**REGISTERED NUMBER**

2278260

**REGISTERED OFFICE**

Avnet House  
Rutherford Close  
Stevenage  
Hertfordshire  
SG1 2EF

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**ABACUS GROUP LIMITED**

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**ABACUS GROUP LIMITED**

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**STRATEGIC REPORT  
FOR THE PERIOD ENDED 2 JULY 2016**

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**BUSINESS REVIEW**

During the current period the underlying financial performance of the two subsidiary undertakings remained strong. Further costs amounting to £265,000 were incurred by the company relating to the wind up of the Defined benefit pension scheme, sponsored by the immediate subsidiary Avnet Logistics Limited. This is the Stan Plan F scheme relating to Deltron employees.

**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 on 9 December 2016 and signed on its behalf.

  
**M McCoy**  
Director

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**ABACUS GROUP LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 2 JULY 2016**

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The Directors present their report and the financial statements for the period ended 2 July 2016.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Strategic Report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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;
- 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.

**PRINCIPAL ACTIVITY**

The company continues to act as a holding company. The company has no branches outside of the United Kingdom.

**RESULTS AND DIVIDENDS**

The loss for the period, after taxation, amounted to £170k (2015 - profit £1,965k).

The directors do not recommend the payment of a dividend (2015: £nil).

**DIRECTORS**

The Directors who served during the period were:

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

**FUTURE DEVELOPMENTS**

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

**ABACUS GROUP LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 2 JULY 2016**

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

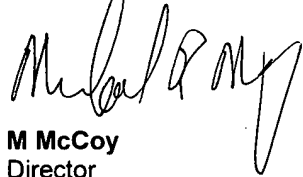
**POST BALANCE SHEET EVENTS**

On 30th September 2016 the company disposed of the two directly held subsidiaries, Avnet Logistics Limited and Alpha 3 Manufacturing Limited, for a total combined consideration of £24,946,725. These were sold to two fellow group companies, Avnet Holdings UK Limited and Memec Group Holdings Limited, with 50% of the share capital in each company being sold to each fellow group company. This resulted in a loss on disposal of £8,044,972 and the reversal of the impairment provision of £16,408,247.

**AUDITORS**

The auditors, BDO LLP, statutory auditor, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 9 December 2016 and signed on its behalf.



**M McCoy**  
Director

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**ABACUS GROUP LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABACUS GROUP LIMITED**

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We have audited the financial statements of Abacus Group Limited for the period ended 2 July 2016 which comprise the statement of comprehensive income, statement of financial position, statements of changes in equity 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 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, 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 (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**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 2 July 2016 and of its loss 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**ABACUS GROUP LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ABACUS GROUP LIMITED  
(CONTINUED)**

**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.

BDO LLP

David Butcher (Senior Statutory Auditor)

for and on behalf of  
**BDO LLP, statutory auditor**

London  
United Kingdom

9 December 2016

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



**ABACUS GROUP LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 2 JULY 2016**

	Note	2016 £000	2015 £000
Administrative expenses		(31)	(34)
Profit on disposal of fixed asset investments	9	-	1,907
Other operating (charges) / income		(2)	5
Exceptional other operating charges		(265)	-
<b>OPERATING (LOSS)/PROFIT</b>	4	<b>(298)</b>	<b>1,878</b>
Interest receivable and similar income	6	151	87
Interest payable and expenses	7	(23)	-
<b>(LOSS)/PROFIT BEFORE TAX</b>		<b>(170)</b>	<b>1,965</b>
<b>(LOSS)/PROFIT FOR THE PERIOD</b>		<b>(170)</b>	<b>1,965</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>			
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(170)</b>	<b>1,965</b>

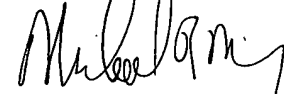
The notes on pages 10 to 19 form part of these financial statements.

**ABACUS GROUP LIMITED**  
**REGISTERED NUMBER: 2278260**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 2 JULY 2016**

	Note	£000	2 July 2016 £000	£000	27 June 2015 £000
<b>FIXED ASSETS</b>					
Investments	10		16,584		16,584
			<u>16,584</u>		<u>16,584</u>
<b>CURRENT ASSETS</b>					
Debtors: amounts falling due within one year	11	13,360		13,564	
		<u>13,360</u>		<u>13,564</u>	
Creditors: amounts falling due within one year	12	(22)		(56)	
<b>NET CURRENT ASSETS</b>			<b>13,338</b>		<b>13,508</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>29,922</b>		<b>30,092</b>
<b>NET ASSETS</b>			<b>29,922</b>		<b>30,092</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		3,839		3,839
Share premium account	15		47,897		47,897
Capital redemption reserve	15		428		428
Profit and loss account	15		(22,242)		(22,072)
			<u>29,922</u>		<u>30,092</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 December 2016.



**M McCoy**  
 Director

The notes on pages 10 to 19 form part of these financial statements.

**ABACUS GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 2 JULY 2016**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 28 June 2015	3,839	47,897	428	(22,072)	30,092
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>					
Loss for the period	-	-	-	(170)	(170)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	-	(170)	(170)
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	-	-	-	-	-
<b>AT 2 JULY 2016</b>	<b>3,839</b>	<b>47,897</b>	<b>428</b>	<b>(22,242)</b>	<b>29,922</b>

The notes on pages 10 to 19 form part of these financial statements.

**ABACUS GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 27 JUNE 2015**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 29 June 2014	3,839	47,897	428	(24,037)	28,127
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>					
Profit for the period	-	-	-	1,965	1,965
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	-	1,965	1,965
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	-	-	-	-	-
<b>AT 27 JUNE 2015</b>	<b>3,839</b>	<b>47,897</b>	<b>428</b>	<b>(22,072)</b>	<b>30,092</b>

The notes on pages 10 to 19 form part of these financial statements.

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**ABACUS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 JULY 2016**

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**1. GENERAL INFORMATION**

Abacus Group Limited is a private company limited by shares, incorporated in the United Kingdom, with its registered office at the same address as the principal place of business, in Stevenage, Hertfordshire.

Throughout the notes to the Financial Statements references are made to the Income Statement. The Income Statement is included within the Statement of Comprehensive Income.

**2. ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 18.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement;
- Key Management Personnel compensation;
- Related party transactions. The Company is exempt under the terms of FRS 102.33 Related Party Disclosures from disclosing related party transactions with entities that are part of the Avnet Inc. group provided that any subsidiary which is party to the transaction is wholly owned by the group;

The following principal accounting policies have been applied:

**2.2 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

**2.3 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 JULY 2016**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Income Statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.5 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.6 Interest income**

Interest income is recognised in the Income Statement using the effective interest method.

**ABACUS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 JULY 2016**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.7 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements and sources of estimation uncertainty have had the most significant effect on amounts recognised in the financial statements.

**Fixed asset investments**

Management estimation is required to determine any potential impairment of investments held in other group companies, as well as estimating the magnitude of the impairment.

**Taxation**

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future profits.

**4. OPERATING (LOSS)/PROFIT**

The operating (loss)/profit is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Profit on disposal of fixed asset investments	-	1,907
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7	6
	<u>7</u>	<u>6</u>

During the period, no Director received any emoluments (2015 - £NIL).

**5. EMPLOYEES**

The Company has no employees other than the Directors, who did not receive any remuneration (2015 - £NIL).

**ABACUS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 JULY 2016**

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from group companies	151	87
	151	87
	151	87

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Interest payable to group companies	23	-
	23	-
	23	-

**8. TAXATION**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>TOTAL CURRENT TAX</b>	-	-
	-	-

**FACTORS AFFECTING TAX CHARGE FOR THE PERIOD**

The tax assessed for the period is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.75%). The differences are explained below:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
(Loss)/profit on ordinary activities before tax	(170)	1,965
	(170)	1,965
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	(34)	408
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	45	3
Profit on disposal of investments not taxable	-	(396)
Group relief claimed	(11)	(15)
	-	-
<b>TOTAL TAX CHARGE FOR THE PERIOD</b>	-	-



**ABACUS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 JULY 2016**

**9. EXCEPTIONAL ITEMS**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Contributions made to the pension scheme of immediate subsidiary	<b>265</b>	-
Profit on disposal of fixed asset investments	-	(1,907)
	<b>265</b>	<b>(1,907)</b>
	<b>265</b>	<b>(1,907)</b>

The £265k contributions to the pension scheme relates to amounts paid to the pension scheme of immediate subsidiary, Avnet Logistics Limited, as a settlement made to the Trustees of the Deltron Stan Plan F defined benefit pension scheme which is sponsored by Avnet Logistics Limited. The buy-out and wind-up of that scheme is in process and now nearing completion. Given that the sponsoring employer is a direct subsidiary of the company, and that the cost is not of the type normally operationally recorded by that company, the decision has been made that the company would make this settlement on behalf of the direct subsidiary.

The £1,907k profit on disposal of fixed asset investments relates to the disposal of Deltron Electronics Limited on 27 February 2015.

**10. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £000</b>
<b>COST</b>	
At 28 June 2015	<b>32,992</b>
At 2 July 2016	<b>32,992</b>
<b>IMPAIRMENT</b>	
At 28 June 2015	<b>16,408</b>
At 2 July 2016	<b>16,408</b>
<b>NET BOOK VALUE</b>	
At 2 July 2016	<b>16,584</b>
At 27 June 2015	<b>16,584</b>

<b>ABACUS GROUP LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 JULY 2016**

**10. FIXED ASSET INVESTMENTS (CONTINUED)**

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Alpha 3 Manufacturing Ltd (1)	UK	Ordinary	100 %	Manufacturing
Avnet Logistics Ltd (1)	UK	Ordinary	100 %	Distribution
Tekdata Interconnections Ltd	UK	Ordinary	100 %	Manufacturing

(1) Owned directly by Abacus Group Limited at 2 July 2016. The other company is owned indirectly.

**11. DEBTORS**

	2 July 2016 £000	27 June 2015 £000
Amounts owed by group undertakings	13,360	13,562
Other debtors	-	2
	<u>13,360</u>	<u>13,564</u>

**12. CREDITORS: Amounts falling due within one year**

	2 July 2016 £000	27 June 2015 £000
Amounts owed to group undertakings	17	1
Accruals and deferred income	5	55
	<u>22</u>	<u>56</u>

**ABACUS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 JULY 2016**

**13. FINANCIAL INSTRUMENTS**

	<b>2 July 2016 £000</b>	<i>27 June 2015 £000</i>
<b>FINANCIAL ASSETS</b>		
Financial assets that are debt instruments measured at amortised cost	<b>13,360</b>	<i>13,564</i>
	<b>13,360</b>	<i>13,564</i>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<b>(22)</b>	<i>(56)</i>
	<b>(22)</b>	<i>(56)</i>

Financial assets measured at amortised cost comprise intercompany current accounts and other debtors.

Financial liabilities measured at amortised cost comprise intercompany current accounts, credit accounts and time deposits and amounts accrued for external services not yet invoiced for.

**14. SHARE CAPITAL**

	<b>2 July 2016 £000</b>	<i>27 June 2015 £000</i>
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
76,776,418 Ordinary shares of £0.05 each	<b>3,839</b>	<i>3,839</i>

**15. RESERVES**

**Share premium**

The share premium account arises as a result of share capital being issued at a premium. Any transactions costs associated with the issuing of shares are deducted from share premium.

**Capital redemption reserve**

The capital redemption reserve was created as a result of capital restructuring.

**Profit and loss account**

The profit and loss account consists of all current and prior period retained profits and losses.

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**ABACUS GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 JULY 2016**

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**16. POST BALANCE SHEET EVENTS**

On 30th September 2016 the company disposed of the two directly held subsidiaries, Avnet Logistics Limited and Alpha 3 Manufacturing Limited, for a total combined consideration of £24,946,725. These were sold to two fellow group companies, Avnet Holdings UK Limited and Memec Group Holdings Limited, with 50% of the share capital in each company being sold to each fellow group company. This resulted in a loss on disposal of £8,044,972 and the reversal of the impairment provision of £16,408,247.

**17. 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).

**ABACIUS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 JULY 2016**

**18. FIRST TIME ADOPTION OF FRS 102**

The Company transitioned to FRS 102 from previously extant UK GAAP as at 29 June 2014. The impact of the transition to FRS 102 is as follows:

	Note	As previously stated 29 June 2014 £000	Effect of transition 29 June 2014 £000	FRS 102 (as restated) 29 June 2014 £000	As previously stated 27 June 2015 £000	Effect of transition 27 June 2015 £000	FRS 102 (as restated) 27 June 2015 £000
Fixed assets		42,254	-	42,254	16,584	-	16,584
Current assets		13,547	-	13,547	13,564	-	13,564
Creditors: amounts falling due within one year		(27,674)	-	(27,674)	(56)	-	(56)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(14,127)</b>	<b>-</b>	<b>(14,127)</b>	<b>13,508</b>	<b>-</b>	<b>13,508</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>28,127</b>	<b>-</b>	<b>28,127</b>	<b>30,092</b>	<b>-</b>	<b>30,092</b>
<b>NET ASSETS</b>		<b>28,127</b>	<b>-</b>	<b>28,127</b>	<b>30,092</b>	<b>-</b>	<b>30,092</b>
Capital and reserves		28,127	-	28,127	30,092	-	30,092

**ABACUS GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 JULY 2016**

**18. FIRST TIME ADOPTION OF FRS 102 (CONTINUED)**

	Note	As previously stated 27 June 2015 £000	Effect of transition 27 June 2015 £000	FRS 102 (as restated) 27 June 2015 £000
		-	-	-
Profit on disposal of fixed asset investments		1,907	-	1,907
Administrative expenses		(34)	-	(34)
Other operating income	1	-	5	5
<b>OPERATING PROFIT</b>		<b>1,873</b>	<b>5</b>	<b>1,878</b>
Interest receivable and similar income	1	92	(5)	87
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL PERIOD</b>		<b>1,965</b>	<b>-</b>	<b>1,965</b>

Explanation of changes to previously reported profit and equity:

- Management have reviewed the classification of foreign exchange losses and gains following the transition to FRS102 and have taken the opportunity to reappraise how this item is presented and move foreign exchange losses and gains to other operating charges and income. The foreign exchange gain in the period ended 27 June 2015 amounted to £5k.