

Abacus Group Limited

Report and Accounts

29 June 2013



**Registered number
2278260**

**Abacus Group Limited
Report and accounts
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**Abacus Group Limited
Company Information**

Directors

W Crowell
M McCoy
P Zammit
P Bielefeld
G McBeth

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Registered office

Avnet House
Rutherford Close
Meadway Technology Park
Stevenage
Hertfordshire
SG1 2EF

Registered number

2278260

Abacus Group Limited Directors' Report

The directors present their report and accounts for the period ended 29 June 2013

Principal activities

The company's principal activity during the period continued to be an intermediate holding company

Review of the business

The company continues to act as a holding company

Events since the balance sheet date

On 8 July 2013 the freehold building situated in Newbury was transferred to Avnet EMG Ltd for £1,662,181 reflecting open market value

Future developments

The investment subsidiaries are now fully integrated parts of the Avnet group and the performance and returns from these operations are expected to continue

Results and dividends

The results of the company for the period are set out on page 7 The loss for the period after taxation amounted to £366,000 (2012 £266,000)

The directors do not recommend the payment of a dividend (2012 £nil)

Abacus Group Limited Directors' Report

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

Directors

The following persons served as directors during the period

RJ Sadowski (resigned 29 March 2013)
DR Birk (resigned 31 December 2012)
W Crowell (appointed 29 March 2013)
M McCoy (appointed 31 December 2012)
P Zammit
P Bielefeld
G McBeth

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This report was approved by the board and signed on its behalf on



W Crowell
Director

12th December 2013

Abacus Group Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial period. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 accounts,
- prepare the accounts 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 accounts 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 Group Limited
Independent auditors' report
to the members of Abacus Group Limited

We have audited the financial statements of Abacus Group Limited for the period ended 29 June 2013 which comprise the profit and loss account, the balance sheet 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 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 auditors

As explained more fully in the statement of directors' responsibilities, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 29 June 2013 and of its profit 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period 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
- 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.



Iain Henderson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London

12th December 2013

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

Abacus Group Limited
Profit and Loss Account
for the period from 1 July 2012 to 29 June 2013

	Notes	2013 £'000	2012 £'000
Administrative expenses		(436)	(296)
Operating loss	2	(436)	(296)
Interest receivable and similar income	3	78	35
Interest payable and similar charges	4	(8)	(5)
Loss on ordinary activities before taxation		(366)	(266)
Tax on loss on ordinary activities	5	-	-
Loss for the period		(366)	(266)

Continuing operations

None of the company's activities were acquired or discontinued during the above two periods

Statement of total recognised gains and losses

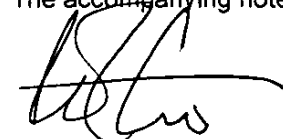
The company has no recognised gains or losses other than the loss for the above two periods

The accompanying notes on pages 9 to 15 are an integral part of the financial statements

Abacus Group Limited
Registered number: 2278260
Balance Sheet
as at 29 June 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	6	1,668	1,750
Investments	7	42,326	44,725
		<u>43,994</u>	<u>46,475</u>
Current assets			
Debtors	8	14,087	14,440
Creditors, amounts falling due within one year	9	(31,645)	(34,158)
Net current liabilities		<u>(17,558)</u>	<u>(19,718)</u>
Total assets less current liabilities		<u>26,436</u>	<u>26,757</u>
Provisions for liabilities			
Other provisions	10	(1,060)	(1,015)
Net assets		<u>25,376</u>	<u>25,742</u>
Capital and reserves			
Called up share capital	11	3,839	3,839
Share premium	12	47,897	47,897
Capital redemption reserve	13	428	428
Profit and loss account	14	(26,788)	(26,422)
Shareholders' funds	15	<u>25,376</u>	<u>25,742</u>

The accompanying notes on pages 9 to 15 are an integral part of the financial statements



W Crowell
 Director

Approved by the board on 12th December 2013

Abacus Group Limited
Notes to the Accounts
for the period from 1 July 2012 to 29 June 2013

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. Under FRS 1 Cash Flow Statements (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As 100% of the voting rights of the company are controlled within the Avnet Inc group, the company has taken advantage under the exemptions permitted by FRS 8 Related Party Disclosures to not disclose details of balances held with other companies within that group

Going concern

The Directors have considered the going concern of the company and have concluded that it remains appropriate to prepare the financial statements on a going concern basis

Investments

Subsidiary undertakings and other fixed asset investments are stated at cost, which includes the costs of acquisition, less provisions for impairment. Current asset investments are stated at the lower of cost or net realisable value

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Freehold buildings	over 30 years
Leasehold land and buildings	over the lease term

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

Abacus Group Limited
Notes to the Accounts
for the period from 1 July 2012 to 29 June 2013

1 Accounting policies (continued)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Operating loss	2013	2012
	£'000	£'000
This is stated after charging		
Depreciation of owned fixed assets	82	103
Auditors' remuneration for audit services	6	6
Auditors' remuneration - audit of subsidiary company	1	-
	<u> </u>	<u> </u>

Audit fees for subsidiary company, Deltron Electronics Ltd, are borne by the company. Total fees for the period ending 29 June 2013 are as disclosed above.

3 Interest receivable and similar income	2013	2012
	£'000	£'000
Interest receivable from group companies	73	29
Foreign exchange gain	5	6
	<u> </u>	<u> </u>
	<u>78</u>	<u>35</u>

4 Interest payable and similar charges	2013	2012
	£'000	£'000
Interest payable to group companies	1	-
Foreign exchange loss	7	5
	<u> </u>	<u> </u>
	<u>8</u>	<u>5</u>

Abacus Group Limited
Notes to the Accounts
for the period from 1 July 2012 to 29 June 2013

5 Taxation	2013	2012
	£'000	£'000
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	<hr/>	<hr/>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2013	2012
	£'000	£'000
Loss on ordinary activities before tax	<hr/>	<hr/>
	(366)	(266)
Standard rate of corporation tax in the UK	23.75%	25.5%
	£'000	£'000
Profit on ordinary activities multiplied by the standard rate of corporation tax	(87)	(68)
Effects of		
Losses surrendered to group undertakings	67	42
Capital allowances for period in excess of depreciation	20	26
	<hr/>	<hr/>
Current tax charge for period	<hr/>	<hr/>

In addition, the company has tax losses of £2,517,000 (2012 £2,517,000) that are available to carry forward and off-set against future taxable profits of the company

Deferred tax assets have not been recognised in respect of these losses as there is insufficient certainty over the timing and extent of future profits

	2013	2012
	£'000	£'000
Tax losses carried forward	<hr/>	<hr/>
	598	642

Abacus Group Limited
Notes to the Accounts
for the period from 1 July 2012 to 29 June 2013

6 Tangible fixed assets

	Land and buildings £'000
Cost	
At 1 July 2012	2,862
At 29 June 2013	<u>2,862</u>
Depreciation	
At 1 July 2012	1,112
Charge for the period	82
At 29 June 2013	<u>1,194</u>
Net book value	
At 29 June 2013	<u>1,668</u>
At 30 June 2012	<u>1,750</u>

7 Fixed asset investments

	Investments in subsidiary undertakings £'000
Cost	
At 1 July 2012	70,660
Disposals	(2,399)
At 29 June 2013	<u>68,261</u>
Impairment provision	
At 1 July 2012	25,935
At 29 June 2013	<u>25,935</u>
Net Book Value	
At 29 June 2013	<u>42,326</u>
At 30 June 2012	<u>44,725</u>

Abacus Group Limited
Notes to the Accounts
for the period from 1 July 2012 to 29 June 2013

8 Fixed asset investments (continued)

Principal subsidiary undertakings	Country of incorporation and operation	Principal activity	Proportion of ordinary shares held by the company
Avnet Abacus Ltd (1)	Hong Kong	Distribution	100%
Polar Ltd (1)	UK	Liquidated	100%
Alpha 3 Manufacturing Ltd (1)	UK	Manufacturing	100%
Avnet Logistics Ltd (1)	UK	Distribution	100%
Deltron Electronics Ltd (1)	UK	Dormant	100%
Tekdata Interconnections Ltd	UK	Manufacturing	100%

(1) Owned directly by Abacus Group Limited at 29 June 2013. The other company is owned indirectly.

On 5 October 2012 the immediate subsidiary Alpha 3 Manufacturing Ltd acquired the entire share capital of Tekdata Interconnections Ltd for a total consideration of £4,442,000. Tekdata Interconnections Ltd is engaged in the supply of custom made cabling and connections for the Avionics, Space, Cryogenic, Defence, Automotive, Medical and Instrumentation industries.

On 20 February 2013 the liquidation of the immediate subsidiary Polar Ltd concluded with an in-specie distribution of net assets via intercompany balance with the company, for £2,399,000, resulting in neither a profit nor a loss on disposal. This company has since been dissolved.

8 Debtors	2013 £'000	2012 £'000
Amounts owed by group undertakings and undertakings in which the company has a participating interest	13,995	14,330
Other debtors	79	103
VAT	13	7
	<u>14,087</u>	<u>14,440</u>
9 Creditors, amounts falling due within one year	2013 £'000	2012 £'000
Trade creditors	96	93
Amounts owed to group undertakings and undertakings in which the company has a participating interest	31,134	33,534
Accruals and deferred income	415	531
	<u>31,645</u>	<u>34,158</u>

Abacus Group Limited
Notes to the Accounts
for the period from 1 July 2012 to 29 June 2013

10 Provisions for liabilities

	Onerous leases £'000
At 1 July 2012	1,015
Additional provisions made during the period	362
Utilised during the period	(305)
Amounts reversed unused	(12)
	<hr/>
At 29 June 2013	<u>1,060</u>

The provision relates to onerous lease agreements for vacated and unutilised sites

11 Share capital

	Nominal value	2013 Number	2013 £'000	2012 £'000
Allotted, called up and fully paid Ordinary shares	5p each	76,776,418	<u>3,839</u>	<u>3,839</u>

12 Share premium

	2013 £'000	2012 £'000
At 1 July 2012	47,897	47,897
	<hr/>	<hr/>
At 29 June 2013	<u>47,897</u>	<u>47,897</u>

13 Capital redemption reserve

	2013 £'000	2012 £'000
At 1 July 2012	428	428
	<hr/>	<hr/>
At 29 June 2013	<u>428</u>	<u>428</u>

14 Profit and loss account

	2013 £'000	2012 £'000
At 1 July 2012	(26,422)	(26,156)
Loss for the period	(366)	(266)
	<hr/>	<hr/>
At 29 June 2013	<u>(26,788)</u>	<u>(26,422)</u>

Abacus Group Limited
Notes to the Accounts
for the period from 1 July 2012 to 29 June 2013

15 Reconciliation of movement in shareholders' funds	2013	2012
	£'000	£'000
At 1 July 2012	25,742	26,008
Loss for the financial period	(366)	(266)
At 29 June 2013	<u>25,376</u>	<u>25,742</u>

16 Post balance sheet events

On 8 July 2013 the freehold building situated in Newbury was transferred to Avnet EMG Ltd for £1,662,181 reflecting open market value

17 Ultimate controlling party

The ultimate parent company and the largest group in which the results of the company are consolidated is Avnet Inc , a company incorporated in the United States of America The consolidated accounts of this group are available to the public and may be obtained from Avnet Inc , Investor Relations, 2211 South 47th Street, Phoenix, Arizona, USA or by visiting Avnet Inc 's Investor Relations website at www.ir.avnet.com