

Abacus Construction Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2022

Registration number: 04993231

Abacus Construction Limited

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Abacus Construction Limited

Company Information

Director KR Wendt

Company secretary MSA Wendt

Registered office 18 Newport Street
Tiverton
Devon
EX16 6NL

Accountants Paul Steele Limited
Chartered Accountants
18 Newport Street
Tiverton
Devon
EX16 6NL

**Chartered Accountants' Report to the Director on the Preparation of the Unaudited Statutory
Accounts of
Abacus Construction Limited
for the Year Ended 31 March 2022**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Abacus Construction Limited for the year ended 31 March 2022 as set out on pages 3 to 16 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of Abacus Construction Limited, as a body, in accordance with the terms of our engagement letter dated 1 August 2019. Our work has been undertaken solely to prepare for your approval the accounts of Abacus Construction Limited and state those matters that we have agreed to state to the Board of Directors of Abacus Construction Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Abacus Construction Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Abacus Construction Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Abacus Construction Limited. You consider that Abacus Construction Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Abacus Construction Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Paul Steele Limited
Chartered Accountants
18 Newport Street
Tiverton
Devon
EX16 6NL

24 November 2022

Abacus Construction Limited
(Registration number: 04993231)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>6</u>	572,931	460,425
Investment property	<u>7</u>	464,059	464,059
Investments	<u>8</u>	1	1
		1,036,991	924,485
Current assets			
Stocks	<u>9</u>	43,937	5,427
Debtors	<u>10</u>	374,310	389,437
Cash at bank and in hand		403,861	568,146
		822,108	963,010
Creditors: Amounts falling due within one year	<u>11</u>	(550,605)	(463,000)
Net current assets		271,503	500,010
Total assets less current liabilities		1,308,494	1,424,495
Creditors: Amounts falling due after more than one year	<u>11</u>	(313,130)	(582,220)
Provisions for liabilities		(98,167)	(76,791)
Net assets		897,197	765,484
Capital and reserves			
Called up share capital	<u>12</u>	2	2
Retained earnings		897,195	765,482
Shareholders' funds		897,197	765,484

For the financial year ending 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the director has not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the director on 24 November 2022

Abacus Construction Limited
(Registration number: 04993231)
Balance Sheet as at 31 March 2022

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KR Wendt
Director

Abacus Construction Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

18 Newport Street
Tiverton
Devon
EX16 6NL
England

The principal place of business is:

Gammon Barn
Ham
Wellington
Somerset
TA21 9JB

These financial statements were authorised for issue by the director on 24 November 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Abacus Construction Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Going concern

Going concern

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant & machinery	20% reducing balance method
Motor vehicles	10% reducing balance method
Scaffolding	7% reducing balance method
Office equipment	15% reducing balance method

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Abacus Construction Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% straight line method

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Abacus Construction Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Abacus Construction Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 9 (2021 - 11).

Abacus Construction Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

4 Profit before tax

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	72,570	51,633

5 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2021	250,000	250,000
At 31 March 2022	250,000	250,000
Amortisation		
At 1 April 2021	250,000	250,000
At 31 March 2022	250,000	250,000
Carrying amount		
At 31 March 2022	-	-

6 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £
Cost or valuation				
At 1 April 2021	56,259	23,279	260,757	532,166
Additions	-	-	46,818	142,479
Disposals	-	-	(6,150)	(9,685)
At 31 March 2022	56,259	23,279	301,425	664,960
Depreciation				
At 1 April 2021	-	16,455	87,437	308,144
Charge for the year	-	1,024	18,952	52,595
Eliminated on disposal	-	-	(2,637)	(8,978)
At 31 March 2022	-	17,479	103,752	351,761
Carrying amount				
At 31 March 2022	56,259	5,800	197,673	313,199

Abacus Construction Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

	Total £
Cost or valuation	
At 1 April 2021	872,461
Additions	189,297
Disposals	<u>(15,835)</u>
At 31 March 2022	<u>1,045,923</u>
Depreciation	
At 1 April 2021	412,036
Charge for the year	72,571
Eliminated on disposal	<u>(11,615)</u>
At 31 March 2022	<u>472,992</u>
Carrying amount	
At 31 March 2022	<u><u>572,931</u></u>
At 31 March 2021	<u><u>460,425</u></u>

Included within the net book value of land and buildings above is £56,259 (2021 - £56,259) in respect of freehold land and buildings.

7 Investment properties

	2022 £
At 1 April	<u>464,059</u>
At 31 March	<u><u>464,059</u></u>

There has been no valuation of investment property by an independent valuer.

Abacus Construction Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

8 Investments

	2022	2021
	£	£
Investments in subsidiaries	1	1
Subsidiaries		£
Cost or valuation		
At 1 April 2021		1
Provision		
Carrying amount		
At 31 March 2022		1
At 31 March 2021		1

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Wellington Scaffolding Limited	18 Newport Street Tiverton Devon EX16 6NL United Kingdom	ordinary	100%	100%

Subsidiary undertakings

Wellington Scaffolding Limited

The principal activity of Wellington Scaffolding Limited is scaffolding services.

9 Stocks

	2022	2021
	£	£
Work in progress	36,859	2,298
Other inventories	7,078	3,129
	43,937	5,427

Abacus Construction Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

10 debtors

	Note	2022 £	2021 £
Current			
Trade debtors		123,394	138,815
Amounts owed by related parties	<u>15</u>	221,890	221,890
Prepayments		28,526	28,732
Other debtors		500	-
		374,310	389,437

11 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	<u>13</u>	94,789	48,665
Trade creditors		95,316	70,497
Taxation and social security		33,148	53,738
Accruals and deferred income		47,835	40,301
Other creditors		279,517	249,799
		550,605	463,000

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £55,990 (2019 - £54,815).

Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
Due after one year			
Loans and borrowings	<u>13</u>	313,130	582,220

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £512,436 (2019 - £492,666).

12 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	2	2	2	2
		2	2	2

Abacus Construction Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

13 Loans and borrowings

	2022	2021
	£	£
Non-current loans and borrowings		
Bank borrowings	230,083	537,831
Finance lease liabilities	83,047	44,389
	<u>313,130</u>	<u>582,220</u>

Abacus Construction Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

	2022	2021
	£	£
Current loans and borrowings		
Bank borrowings	8,683	9,204
Finance lease liabilities	86,106	39,461
	94,789	48,665
	94,789	48,665

14 Dividends

Interim dividends paid

	2022	2021
	£	£
Interim dividend of £37,250.00 (2021 - £30,250.00) per each Ordinary shares	74,500	60,500
	74,500	60,500
	74,500	60,500

15 Related party transactions

Director's remuneration

The director's remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	17,688	17,055
Contributions paid to money purchase schemes	80,000	80,000
	97,688	97,055
	97,688	97,055

Income and receivables from related parties

		Subsidiary
2022	£	£
Sale of goods		12,589
		12,589

		Subsidiary
2021	£	£
Sale of goods		14,595
		14,595

Expenditure with and payables to related parties

		Subsidiary
2022	£	£
Purchase of goods		19,484
		19,484

		Subsidiary
2021	£	£
Purchase of goods		16,781
		16,781

Abacus Construction Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

16 Parent and ultimate parent undertaking

The ultimate controlling party is KR Wendt & MSA Wendt.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.