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ABI Alpha Limited
(formerly Intercede 2430 Limited)

Report and Financial Statements

31 August 2012

TUESDAY



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COMPANIES HOUSE

Directors

W de B Priestley

M G Copper

R J Jones

D A Hague

Z Clements

Secretary

R J Jones

Auditors

Ernst & Young LLP

P O Box 3

Lowgate House

Lowgate

Hull HU1 1JJ

Bankers

Barclays Bank PLC

PO Box 190

1 Park Row

Leeds LS1 5WU

Solicitors

DLA LLP

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Registered Office

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Beverley

East Yorkshire HU17 0LJ

Registered No 07745824

Directors' report

The directors present their report and financial statements for the period from incorporation on 18 August 2011 to 31 August 2012

Results and dividends

The company was incorporated on 18 August 2011. On 9 November 2011 the company acquired the entire share capital of ABI (UK) Group Limited through its subsidiary ABI Beta Limited. The acquisition was funded by a combination of bank debt, loan notes and new share capital.

The group profit for the period after taxation amounted to £1,843,000. The directors do not recommend a final dividend.

Principal activities and review of the business

The principal activity of the group during the period was the manufacture and sale of Caravan Holiday Homes.

The core market for our product decreased during the financial period (8%) and manufacturing capacity was reduced accordingly to ensure the business production output remained consistent with this change in demand. The directors anticipate that their core market will remain flat during the current financial year.

Principal risks and uncertainties

The market remains the principal risk to the business, and any decline in the overall market increases competitive pressures. The market and the company's market share are monitored monthly. The business manages this risk by maintaining strong relationships with its customers and adapting to market demands and the needs of these customers.

Financial key performance indicators

The pre-eminent KPI for the business is the order book (future prospects) and the management of capacity to match demand. This is monitored and tracked continually and capacity adjusted accordingly.

Other KPI's that are monitored regularly in the management of the business are gross margin %, EBITDA as a % of sales turnover and the level of stock.

We continue to closely monitor the working environment of our employees in order to minimise the risk of work and environmental hazards.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served the company during the period were as follows:

W de B Priestley (appointed 31 August 2011)

M G Copper (appointed 9 November 2011)

R J Jones (appointed 9 November 2011)

D A Hague (appointed 9 November 2011)

Z Clements (appointed 9 November 2011)

Mitre Secretaries Limited (appointed 18 August 2011, resigned 31 August 2011)

Mitre Directors Limited (appointed 18 August 2011, resigned 31 August 2011)

Directors' report (continued)

WGH Yuill (appointed 18 August 2011, resigned 31 August 2011)

Employees

During the period, the company continued to provide employees with relevant information and to seek their views on matters of common concern through their representatives and line managers. Priority is given to ensuring that employees are aware of all significant matters affecting the company's trading position and of any significant organisational changes.

It is the policy of the company to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled while in the employment of the company, as well as generally through training and career development.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Ernst & Young LLP were appointed as auditors during the period. A resolution to reappoint them will be put to the members at the Annual General Meeting.

On behalf of the Board



R J Jones
Director

3 December 2012

Statement of directors' responsibilities

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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, 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 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of ABI Alpha Limited

We have audited the financial statements of ABI Alpha Limited for the period ended 31 August 2012 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Group Statement of Cash Flows and the related notes 1 to 24. 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 set out on page 4, 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 group and parent undertaking'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 directors' 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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent undertaking's affairs as at 31 August 2012 and of the group's 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 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.

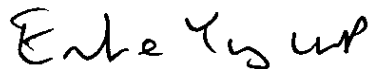
Independent auditors' report (continued)

to the members of ABI Alpha Limited

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



Richard Frostick (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Hull
3 December 2012

Group profit and loss account

for the period ended 31 August 2012

	Notes	Period ended 31 August 2012 £000
Turnover	2	50,688
Cost of sales		(42,601)
Gross profit		8,087
Administrative expenses		(2,283)
Operating profit	3	5,804
Interest receivable and similar income		1
Interest payable and similar charges	6	(2,867)
Profit on ordinary activities before taxation		2,938
Tax	7	(1,095)
Profit for the financial period	18	1,843

All amounts relate to continuing activities

Group statement of total recognised gains and losses

for the period ended 31 August 2012

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £1,843,000 in the period ended 31 August 2012

Group balance sheet

at 31 August 2012

	Notes	31 August 2012 £000
Fixed assets		
Intangible assets	9	17,977
Tangible assets	10	3,959
		<u>21,936</u>
Current assets		
Stocks	13	2,392
Debtors	14	15,206
Cash at bank and in hand		1,521
		<u>19,119</u>
Creditors: amounts falling due within one year	15	<u>(7,575)</u>
Net current assets		<u>11,544</u>
Total assets less current liabilities		<u>33,480</u>
Creditors amounts falling due after more than one year	16	<u>(29,753)</u>
Net assets		<u>3,727</u>
Capital and reserves		
Called up share capital	17	19
Share premium account	18	1,865
Profit and loss account	18	1,843
Shareholders' funds	19	<u>3,727</u>

The accounts were approved by the board for issue on 3 December 2012


M G Copper

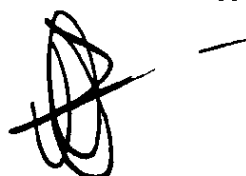
Director

Company balance sheet

at 31 August 2012

		<i>31 August 2012</i>
	<i>Notes</i>	<i>£000</i>
Fixed assets		
Investments	11	1,126
		<u>1,126</u>
Current assets		
Debtors	14	758
Net current assets		<u>758</u>
Total assets less current liabilities		<u>1,884</u>
Net assets		<u>1,884</u>
Capital and reserves		
Called up share capital	17	19
Share premium account	18	1,865
Profit and loss account	18	—
Shareholders' funds	19	<u>1,884</u>

The accounts were approved by the board for issue on 3 December 2012



M G Copper

Director

Group statement of cash flows

for the period ended 31 August 2012

		<i>Period ended 31 August 2012</i>
	<i>Note</i>	<i>£000</i>
Net cash inflow from operating activities	20	6,766
Returns on investments and servicing of finance		
Bank interest paid		(846)
Interest received		1
Net cash outflow from returns on investments and servicing of finance		<u>(845)</u>
Taxation		
Corporation tax paid		<u>(1,277)</u>
Tax paid		<u>(1,277)</u>
Capital expenditure		
Payments to acquire tangible fixed assets		<u>(246)</u>
Net cash outflow from capital expenditure		<u>(246)</u>
Acquisitions and disposals		
Purchase of subsidiary undertakings		(29,942)
Cash balances acquired with subsidiary undertaking		615
Loans acquired with subsidiary undertaking		<u>(3,500)</u>
Net cash outflow from acquisitions and disposals		<u>(32,827)</u>
Net cash outflow before financing		<u>(28,429)</u>
Financing		
New loans		16,000
Loan notes issued		20,577
Shares issued		1,883
Issue costs of new financing		(2,010)
Repayment of loans		<u>(6,500)</u>
Net cash inflow from financing		<u>29,950</u>
Increase in cash		<u>1,521</u>

Notes to the financial statements

at 31 August 2012

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold land and buildings, and in accordance with applicable accounting standards

Group financial statements

The group financial statements consolidate the financial statements of ABI Alpha Limited and its subsidiary undertakings, for the period ended 31 August 2012. No profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006.

Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life estimated to be 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and when events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

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

Freehold property	–	over 50 years
Short leasehold property	–	over the lease term
Fixtures and fittings	–	10% straight line basis
Plant and machinery	–	20% straight line basis
Motor vehicles	–	20% straight line basis
Computer equipment	–	25%-50% straight line basis

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Notes to the financial statements

at 31 August 2012

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

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 retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Leasing and hire purchase commitments

Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the lease term. Leasing agreements, which transfer to the company substantially all the benefits and risks of ownership of an asset, are treated as if the assets had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the profit and loss account on a straight-line basis. Assets held under finance leases are depreciated over the useful lives of equivalent owned assets

Pensions

The company operates a stakeholder pension scheme for employees and a money purchase pension scheme for directors. The assets of the schemes are invested and managed independently of the finances of the company. The pension cost charge relates to the money purchase scheme and represents contributions payable in the period

Revenue recognition

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenues recognised

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer

Notes to the financial statements

at 31 August 2012

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties in respect of the group's continuing activity as stated in the directors' report

An analysis of turnover by geographical market is given below

	<i>Period ended 31 August 2012 £000</i>
UK	49,472
Europe	1,216
	<u>50,688</u>

3. Operating profit

This is stated after charging/(crediting)

	<i>Period ended 31 August 2012 £000</i>
Auditors' remuneration – audit services	31
– other services	7
Depreciation of owned fixed assets	142
Amortisation charge for the period	781
Operating lease rentals – plant and machinery	32
– land and buildings	87
	<u>87</u>

4. Directors' remuneration

	<i>Period ended 31 August 2012 £000</i>
Remuneration	480
Group contributions to defined contribution pension schemes	33
	<u>513</u>
In respect of the highest paid director	
Remuneration	185
Contributions to money purchase pension schemes	23
Aggregate remuneration	<u>208</u>

There are 2 directors accruing retirement benefits under money purchase pension schemes

Notes to the financial statements

at 31 August 2012

5. Staff costs

*Period ended
31 August
2012
£000*

Wages and salaries	8,151
Social security costs	842
Other pension costs	33
	<u>9,026</u>

The average monthly number of employees during the year was made up as follows

No

Office and management	27
Production	311
	<u>338</u>

6. Interest payable and similar charges

*Period ended
31 August
2012
£000*

Bank loans interest	692
Interest and charges on financing of trade debtors	110
Loan notes	1,674
Amortisation of loan issue costs	347
Other bank charges	44
	<u>2,867</u>

Notes to the financial statements

at 31 August 2012

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

*Period ended
31 August
2012
£*

Current tax

UK corporation tax on the profit for the year

1,184

Total current tax (note 7(b))

1,184

Deferred tax

Origination and reversal of timing differences

(89)

Total deferred tax

(89)

Tax on profit on ordinary activities

1,095

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 25 16% (The differences are explained below

*Period ended
31 August
2012
£*

Profit on ordinary activities before tax

2,938

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25 16%

739

Effects of

Expenses not deductible for tax purposes

348

Depreciation in advance of capital allowances

(8)

Short term timing differences

96

Marginal relief

9

Current tax for the year (note 7(a))

1,184

Notes to the financial statements

at 31 August 2012

7. Tax (continued)

(c) Deferred tax

	<i>Period ended 31 August 2012</i>
	<i>£</i>
Accelerated capital allowances	11
Other timing differences	(129)
Potential liability on capital gains not rolled over	30
	<u>88</u>

	<i>Period ended 31 August 2012</i>
	<i>£</i>
Deferred tax credit in profit and loss account for the period (note 7(a))	89
Balance on acquisition	(1)
Included in debtors (note 14)	<u>88</u>

(d) Factors that may affect future tax charges

No provision is made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided is £5,300 (2011 – £6,000). At present it is not envisaged that any tax will become payable in the foreseeable future.

The company will benefit from the reduction in the main UK corporation tax rate over the next two years to 22% starting with a reduction to 24% on 1 April 2013. The estimated affect of this change on the provided deferred tax is not expected to be material to the financial statements.

Notes to the financial statements

at 31 August 2012

8. Profit attributable to members of parent undertaking

The result dealt with in the financial statements of the parent undertaking was £nil

9. Intangible fixed assets

<i>Group</i>	<i>Goodwill</i> <i>£000</i>
Cost	
On incorporation	–
Additions	18,758
At 31 August 2012	<u>18,758</u>
Amortisation	
On incorporation	–
Charge for the period	781
At 31 August 2012	<u>781</u>
Net book value	
At 31 August 2012	<u>17,977</u>

Goodwill arising on the acquisition of ABI (UK) Group Limited is being amortised over 20 years, being the directors' estimate of its useful economic life

Notes to the financial statements

at 31 August 2012

10. Tangible fixed assets

<i>Group</i>	<i>Land and buildings £000</i>	<i>Plant and machinery £000</i>	<i>Motor vehicles £000</i>	<i>Office equipment £000</i>	<i>Total £000</i>
Cost or valuation					
On incorporation	–	–	–	–	–
Acquisition of subsidiary undertakings	3,120	1,927	159	716	5,922
Additions	–	188	26	32	246
Disposals	–	(160)	–	(175)	(335)
At 31 August 2012	3,120	1,955	185	573	5,833
Depreciation					
On incorporation	–	–	–	–	–
Acquisition of subsidiary undertakings	6	1,373	113	575	2,067
Provided during the year	31	66	18	27	142
Disposals	–	(160)	–	(175)	(335)
At 31 August 2012	37	1,279	131	427	1,874
Net book value					
At 31 August 2012	3,083	676	54	146	3,959
On incorporation	–	–	–	–	–

The net book value of plant and machinery above includes an amount of £nil in respect of assets held under finance leases and hire purchase contracts

The freehold land and buildings were valued at their open market value for existing use on 31 August 2011 by External Independent Chartered Surveyors DTZ Debenham Tie Leung. The historical cost of the freehold land and buildings is £2,112,000

Notes to the financial statements

at 31 August 2012

11. Investments

Company

*Investment in
subsidiary
undertakings
£000*

Cost	
On incorporation	–
Additions	1,126
At 31 August 2012	<u>1,126</u>

The investments of the company related to the direct investment in ABI Beta Limited. This subsidiary was acquired on 31 August 2011 for £1. On 9 November 2011 a further investment in new shares was made for £1,125,670.

In the opinion of the directors, the aggregate value of the investment in subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

Subsidiary undertakings

<i>Subsidiary undertakings</i>	<i>Country of registration incorporation</i>	<i>Class of share</i>	<i>Proportion of issued equity capital held</i>	<i>Principal activity</i>
ABI Beta Limited	Great Britain	Ordinary	100%	Intermediate holding company
ABI (UK) Group Limited (100% subsidiary of ABI Beta Limited)	Great Britain	Ordinary	100%	Intermediate holding company
ABI (UK) Holdings Limited (100% subsidiary of ABI (UK) Group Limited)	Great Britain	Ordinary	100%	Intermediate holding company
ABI (UK) Limited (100% subsidiary of ABI (UK) Holdings Limited)	Great Britain	Ordinary	100%	Manufacture and sale of Caravan Holiday Homes
ABI (UK) Group EBT Limited	Great Britain	Ordinary	100%	EBT

Notes to the financial statements

at 31 August 2012

12. Acquisition of subsidiary undertaking

On 9 November 2011 the company's 100% owned subsidiary acquired 100% of the issued share capital of ABI (UK) Group Limited. The consideration comprised the issue of B loan notes and C loan notes by ABI Beta Limited and cash. Immediately following the acquisition the C loan notes were exchanged for 757,633 shares in ABI Alpha Limited. The fair value of the consideration was £29,942,000. Acquisitions are accounted for under the acquisition method.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group.

	<i>Book value</i> £000	<i>Fair value adjustments</i> £000	<i>Fair value to the group</i> £000
Fixed assets			
Tangible	3,856	–	3,856
Current assets			
Stock	3,390	–	3,390
Debtors	19,973	–	19,973
Cash	615	–	615
Total assets	27,834	–	27,834
Creditors			
Bank loans	(3,350)	(150)	(3,500)
Trade creditors and accruals	(12,574)	–	(12,574)
Provisions			
Taxation	(575)	–	(575)
Deferred taxation	(1)	–	(1)
Total liabilities	(16,500)	(150)	(16,650)
Net assets	11,334	(150)	11,184
Goodwill			18,758
			29,942
Satisfied by			
B loan notes			6,539
C loan notes			758
Cash			22,645
			29,942

Notes to the financial statements

at 31 August 2012

13. Stocks

	<i>Group</i> £000	<i>Company</i> £000
Raw materials and consumables	1,218	–
Work in progress	990	–
Finished goods	184	–
	<u>2,392</u>	<u>–</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

14. Debtors

	<i>Group</i> £000	<i>Company</i> £000
Debtors falling due with one year		
Trade debtors	14,314	–
Other debtors	501	–
Prepayments and accrued income	303	–
Deferred tax	88	–
	<u>15,206</u>	<u>–</u>
Debtors falling due after one year		
Amounts owned by group undertakings	–	758
	<u>15,206</u>	<u>758</u>

15. Creditors: amounts falling due within one year

	<i>Group</i> £000	<i>Company</i> £000
Bank loans	334	–
Trade creditors	5,707	–
Corporation tax	481	–
Other taxes and social security costs	220	–
Other creditors	246	–
Accruals	587	–
	<u>7,575</u>	<u>–</u>

Notes to the financial statements

at 31 August 2012

16. Creditors: amounts falling due after more than one year

	<i>Group</i> <i>£000</i>	<i>Company</i> <i>£000</i>
Bank loan	7,502	–
Investor loan notes	22,251	–
Amounts owned to group undertakings	–	–
	<u>29,753</u>	<u>–</u>

Borrowings

The financial obligations to which the Group is committed are due as follows

	<i>Group</i> <i>31 August</i> <i>2012</i> <i>£000</i>
In one year or less	750
Between one and two years	750
Between two and five years	<u>8,000</u>
	9,500
Less unamortised arrangement costs	<u>(1,664)</u>
	7,836
Included in amounts due within one year	<u>(334)</u>
Included in amounts due after more than one year	<u>7,502</u>

Bank loan are secured by a floating charge over the assets of the Group. Interest on the loans is charged at commercial rates.

The Group has entered into an interest rate hedge to manage its exposure to interest rate fluctuations. The hedge has fixed LIBOR on a proportion of the loans at 1.49%.

The investor loan notes accrue interest at 10% per annum, compounding at 30 September each year, and are repayable on 30 September 2018.

17. Issued share capital

	<i>No</i>	<i>31 August</i> <i>2012</i> <i>£</i>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of 1p each	233,333	2,333
'A' ordinary shares of 1p each	1,125,670	11,257
'B' ordinary shares of 1p each	<u>524,330</u>	<u>5,243</u>
	<u>1,883,333</u>	<u>18,833</u>

Notes to the financial statements

at 31 August 2012

18. Movements on reserves

<i>Group</i>	<i>Share premium account £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
On incorporation	–	–	–
Shares issued in period	1,865	–	1,865
Profit for the period	–	1,843	1,843
At 31 August 2012	<u>1,865</u>	<u>1,843</u>	<u>3,708</u>

<i>Company</i>	<i>Share premium account £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
On incorporation	–	–	–
Shares issued in period	1,865	–	1,865
Profit for the period	–	–	–
At 31 August 2012	<u>1,865</u>	<u>–</u>	<u>1,865</u>

19. Reconciliation of shareholders' funds

	<i>Group £000</i>	<i>Company £000</i>
On incorporation	–	–
Shares issued in the period	1,884	1,884
Profit for the period	1,843	–
Closing shareholders funds	<u>3,727</u>	<u>1,884</u>

20. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	<i>2012 £000</i>
Operating profit	5,804
Depreciation	142
Amortisation of goodwill	781
Decrease in stocks	998
Decrease in debtors	4,855
(Decrease) in creditors	(5,814)
Net cash inflow from operating activities	<u>6,766</u>

Notes to the financial statements

at 31 August 2012

20. Notes to the statement of cash flows (continued)

(b) Reconciliation of net cash flow to movement in net debt

	<i>31 August 2012 £000</i>
Increase in cash in the period	1,521
Cash flow in respect of loans	(9,500)
Cash flow in respect of investor loan notes	(20,577)
Rolled up interest	(1,674)
Change in net debt	(30,230)
Opening net debt	—
Net debt at 31 August 2012	<u>(30,230)</u>

(c) Analysis of net debt

	<i>Cash flow £</i>	<i>Non cash changes £</i>	<i>At 31 August 2012 £</i>
Net cash			
Cash in hand and at bank	1,521	—	1,521
Debt			
Bank loans	(9,500)	—	(9,500)
Investor loan notes	(20,577)	(1,674)	(22,251)
Net debt at 31 August 2012	<u>(28,566)</u>	<u>(1,674)</u>	<u>(30,230)</u>

21. Pensions

The group operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Notes to the financial statements

at 31 August 2012

22. Other financial commitments

At 31 August 2012 the company had annual commitments under non-cancellable operating leases as set out below

	<i>Land and buildings £000</i>	<i>Other £000</i>
Operating leases which expire		
Within one year	–	3
In two to five years	–	24
Over five years	104	–
	<u>104</u>	<u>27</u>

23. Related party transactions

The group has taken advantage of the exemption available under FRS 8 para 3c not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent

24. Ultimate controlling party

At 31 August 2012, the ultimate controlling party was Legal and General Group PLC, a company incorporated in England and Wales

The smallest group in which the results of the company are consolidated is that headed by ABI Alpha Limited

The largest group in which the results of the company are consolidated is that headed by Legal and General Group PLC. Copies of the consolidated accounts of the ultimate holding company, Legal and General Group PLC, are available on the group website, www.legalandgeneralgroup.com or from the Company Secretary at the Registered Office, One Coleman Street, London, EC2R 5AA