

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 October 2013
for
The Abbey Group (UK) Ltd

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The Abbey Group (UK) Ltd

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for the Year Ended 31 October 2013

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The Abbey Group (UK) Ltd
Company Information
for the Year Ended 31 October 2013

DIRECTORS:

Mrs J M Neal
R S Neal

SECRETARY:

R S Neal

REGISTERED OFFICE:

Beeley Wood Works
Beeley Wood Lane
Sheffield
South Yorkshire
S6 1ND

REGISTERED NUMBER:

05891820 (England and Wales)

AUDITORS:

Sutton McGrath Limited
5 Westbrook Court
Sharrowvale Road
Sheffield
South Yorkshire
S11 8YZ

The Abbey Group (UK) Ltd
Group Strategic Report
for the Year Ended 31 October 2013

The directors present their strategic report of the company and the group for the year ended 31 October 2013.

REVIEW OF BUSINESS

The group has seen continued growth this year which is largely down to an ever increasing market share and further reduction in costs since moving premises in 2008. The group expects continued growth and technological advancements in line with its expectations.

Turnover has increased by 2.3% in the year, whilst cost of sales has fallen by 19.6%. These two factors combined largely account for the growth which can be seen in pre tax profits for the year.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk is present in all business. The directors consider the major risks and uncertainties at this point in time are:

1. Product Mix

Commodity-like steel products face higher degrees of competition and are more exposed to price volatility. The main trade of the group produces higher value added products that provide above average margins, stable volumes and contribute to a reduction on relative earnings fluctuations.

2. Raw Material Position

The cost efficiency of the group's main operations is highly dependent on the cost and availability of raw materials. The group does not rely heavily on one major supplier for raw materials which gives the group access to readily available raw materials at competitive prices.

3. Market Volatility

Being the main trade of the group is operating in the steel industry, its earnings are exposed to cyclical changes to supply and demand resulting in price fluctuations that can lead to varied and volatile financial performance. Management have significant experience in the steel industry which allows them to take a proactive response to cyclical changes in order to reduce the risk that market volatility has on the group's financial performance.

The Abbey Group (UK) Ltd
Group Strategic Report
for the Year Ended 31 October 2013

PERFORMANCE MONITORING

The board monitors the group's performance in a number of ways including key performance indicators. The key financial performance indicators for The Abbey Group are as follows with comparatives for 2012:

	2013	2012
	£	£
Revenue	42,185,860	41,246,779
Operating profit per employee	91,023	75,431
Turnover per production employee	229,271	273,157
Return on capital employed	88.7%	56.4%
Gross profit margin	50.5%	36.1%
Operating profit margin	39.7%	23.2%
Current Ratio	1.7:1	2.4:1

The revenue indicator represents the value of goods delivered to customers in the year and measures sales growth in value terms.

The operating profit per employee indicator represents the contribution per employee and measures the growth per employee in value terms.

The turnover per production employee indicator represents the sales output per employee and measures production efficiency in value terms.

The return on capital employed indicator represents the value of return to the shareholder in the year through the activities of the group and measures return in value terms.

The gross profit margin is calculated by dividing the gross profit by revenue and measures the total profitability of product sales.

The operating profit margin is the profit generated by the group from its operations excluding finance and investment income and costs before taxation. This indicator measures overall profitability of the group for the year.

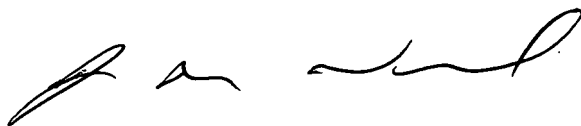
The current ratio indicator represents the value of the group's current assets against its current liabilities and measures the ability of the group to finance its operations as they fall due.

The board also considers the following key non-financial performance indicators:

1. Customer mix against plans.
2. Sales activities measured against results.

These non-financial indicators are reviewed regularly by the board.

ON BEHALF OF THE BOARD:



Mrs J M Neal - Director

21 July 2014

The Abbey Group (UK) Ltd

Report of the Directors **for the Year Ended 31 October 2013**

The directors present their report with the financial statements of the company and the group for the year ended 31 October 2013.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of manufacturers, forgers and distributors of steel products.

DIVIDENDS

The total distribution of dividends for the year ended 31 October 2013 will be £330,000.

FUTURE DEVELOPMENTS

The group plans to continue the growth into future years and the directors are focused and confident regarding business development in the future. The directors expect their overall general investments within the group to increase the group's trade and profits in future years.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2012 to the date of this report.

Mrs J M Neal
R S Neal

FINANCIAL INSTRUMENTS

The groups principal financial instruments comprise of bank balances, trade debtors, trade creditors and loans both to and from the companies which make up the group.

Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance in order to ensure all due amounts can be paid within the deadlines stipulated when credit is taken. The group makes use of additional funds held in excess of that required for the day to day running of the group by investing them in high interest accounts. These do have instant access to ensure money is available when required to meet any demands on cash flow.

In respect of loans to and from the group these comprise of loans both from and to directors and employees, these are interest free and payable on demand. The directors are aware of the group's financial position and would not withdraw funds unless the group had sufficient funds to satisfy the day to day running of the group.

Trade debtors are managed in respect of credit and cash flow risk by the regular monitoring of amounts outstanding for time limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

EURO ISSUES

The group's systems are Euro compatible. The group has assessed the situation and does not anticipate any problems if the Euro is introduced in the UK.

DIRECTORS INDEMNITY PROVISIONS

The directors have been granted a qualifying third party indemnity provision under Section 234 of the Companies Act 2006. This indemnity does not provide cover in the event of a director being proven to have acted fraudulently or dishonestly.

The Abbey Group (UK) Ltd

Report of the Directors
for the Year Ended 31 October 2013

EMPLOYMENT POLICIES

The group has equal opportunities policies which are applied to job applicants and existing employees.

Full and fair consideration is given to the employment of disabled persons and the group has made, and will continue to make, every effort to retain and assist any individuals disabled in the course of their employment and to help with their rehabilitation.

Employees are made aware of the financial and economic factors affecting the achievements of the group companies for which they work and the way in which their personal contributions are of fundamental importance to the further success of the business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 company and the group 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 accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

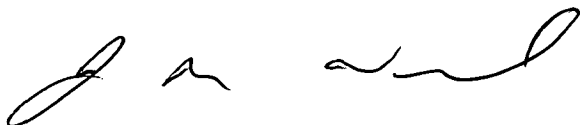
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Sutton McGrath Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mrs J M Neal - Director

21 July 2014

Report of the Independent Auditors to the Members of
The Abbey Group (UK) Ltd

We have audited the financial statements of The Abbey Group (UK) Ltd for the year ended 31 October 2013 on pages seven to twenty seven. 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 a Report of the Auditors 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 set out on page five, 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's and the parent company'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 Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 company's affairs as at 31 October 2013 and of the group's profit for the year 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 Group Strategic Report and the Report of the Directors for the financial year 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



David Sutton FCA (Senior Statutory Auditor)
for and on behalf of Sutton McGrath Limited
5 Westbrook Court
Sharrowvale Road
Sheffield
South Yorkshire
S11 8YZ

21 July 2014

The Abbey Group (UK) Ltd

Consolidated Profit and Loss Account
for the Year Ended 31 October 2013

		2013	2012
	Notes	£	as restated £
TURNOVER		42,185,860	41,246,779
Cost of sales		<u>20,879,985</u>	<u>25,971,351</u>
GROSS PROFIT		21,305,875	15,275,428
Administrative expenses		<u>4,118,365</u>	<u>4,733,556</u>
		17,187,510	10,541,872
Other operating income		<u>251</u>	-
OPERATING PROFIT	4	17,187,761	10,541,872
Interest receivable and similar income		<u>127,472</u>	<u>63,524</u>
		17,315,233	10,605,396
Interest payable and similar charges	5	<u>-</u>	<u>5,792</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		17,315,233	10,599,604
Tax on profit on ordinary activities	6	<u>4,074,002</u>	<u>2,640,526</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>13,241,231</u>	<u>7,959,078</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

The Abbey Group (UK) Ltd

Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 31 October 2013

	2013	2012 as restated
	£	£
PROFIT FOR THE FINANCIAL YEAR	13,241,231	7,959,078
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>13,241,231</u>	7,959,078
Prior year adjustment		<u>(250,000)</u>
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		<u>7,709,078</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis are not material.

Consolidated Balance Sheet
31 October 2013

		2013		2012 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		1,714,883		1,710,000
Tangible assets	11		12,129,870		7,498,917
Investments	12		68,850		68,850
Investment property	13		<u>219,631</u>		<u>-</u>
			14,133,234		9,277,767
CURRENT ASSETS					
Stocks	14	1,122,483		1,476,822	
Debtors	15	11,798,714		9,567,303	
Cash at bank		<u>17,567,794</u>		<u>12,512,935</u>	
		30,488,991		23,557,060	
CREDITORS					
Amounts falling due within one year	16	<u>7,308,586</u>		<u>8,476,839</u>	
NET CURRENT ASSETS			<u>23,180,405</u>		<u>15,080,221</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			37,313,639		24,357,988
PROVISIONS FOR LIABILITIES	18		<u>164,173</u>		<u>225,016</u>
NET ASSETS			<u>37,149,466</u>		<u>24,132,972</u>
CAPITAL AND RESERVES					
Called up share capital	19		104		104
Revaluation reserve	20		104,410		-
Profit and loss account			<u>37,044,952</u>		<u>24,132,868</u>
SHAREHOLDERS' FUNDS	24		<u>37,149,466</u>		<u>24,132,972</u>

The financial statements were approved by the Board of Directors on 21 July 2014 and were signed on its behalf by:



Mrs J M Neal - Director

Company Balance Sheet
31 October 2013

		2013		2012 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		1,596,000		1,710,000
Tangible assets	11		5,982,903		6,636,071
Investments	12		68,950		68,950
Investment property	13		-		-
			<u>7,647,853</u>		<u>8,415,021</u>
CURRENT ASSETS					
Debtors	15	10,877,131		3,292,504	
CREDITORS					
Amounts falling due within one year	16	<u>196,144</u>		<u>308,355</u>	
NET CURRENT ASSETS			<u>10,680,987</u>		<u>2,984,149</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,328,840</u>		<u>11,399,170</u>
PROVISIONS FOR LIABILITIES	18		<u>143,416</u>		<u>212,514</u>
NET ASSETS			<u><u>18,185,424</u></u>		<u><u>11,186,656</u></u>
CAPITAL AND RESERVES					
Called up share capital	19		104		104
Profit and loss account			<u>18,185,320</u>		<u>11,186,552</u>
SHAREHOLDERS' FUNDS	24		<u><u>18,185,424</u></u>		<u><u>11,186,656</u></u>

The financial statements were approved by the Board of Directors on 21 July 2014 and were signed on its behalf by:


Mrs J M Neal - Director

The Abbey Group (UK) Ltd

Consolidated Cash Flow Statement
for the Year Ended 31 October 2013

		2013	2012
	Notes	£	as restated £
Net cash inflow from operating activities	1	15,314,555	13,252,062
Returns on investments and servicing of finance	2	127,723	57,732
Taxation		(3,375,021)	(3,078,480)
Capital expenditure and financial investment	2	(4,960,579)	(1,124,969)
Acquisitions and disposals	2	(949,381)	-
Equity dividends paid		<u>(330,000)</u>	<u>(2,670,000)</u>
		5,827,297	6,436,345
Financing	2	<u>(742,946)</u>	<u>452,258</u>
Increase in cash in the period		<u>5,084,351</u>	<u>6,888,603</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>5,084,351</u>	<u>6,888,603</u>
Change in net funds resulting from cash flows		<u>5,084,351</u>	<u>6,888,603</u>
Movement in net funds in the period		5,084,351	6,888,603
Net funds at 1 November		<u>12,483,443</u>	<u>5,594,840</u>
Net funds at 31 October		<u>17,567,794</u>	<u>12,483,443</u>

The notes form part of these financial statements

The Abbey Group (UK) Ltd

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 October 2013

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012 as restated
	£	£
Operating profit	17,187,761	10,541,872
Depreciation charges	1,138,491	1,024,816
Loss/(profit) on disposal of fixed assets	3,673	(2,500)
Decrease/(increase) in stocks	354,339	(510,822)
(Increase)/decrease in debtors	(2,577,178)	901,815
(Decrease)/increase in creditors	<u>(792,531)</u>	<u>1,296,881</u>
Net cash inflow from operating activities	<u>15,314,555</u>	<u>13,252,062</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013	2012 as restated
	£	£
Returns on investments and servicing of finance		
Interest received	127,472	63,524
Interest paid	-	(5,792)
Other operating income	<u>251</u>	<u>-</u>
Net cash inflow for returns on investments and servicing of finance	<u>127,723</u>	<u>57,732</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4,762,098)	(1,127,469)
Purchase of investment property	(219,631)	-
Sale of tangible fixed assets	<u>21,150</u>	<u>2,500</u>
Net cash outflow for capital expenditure and financial investment	<u>(4,960,579)</u>	<u>(1,124,969)</u>
 Acquisitions and disposals		
Acquisition of investments in subsidiary	(178,367)	-
Loan to subsidiary	<u>(771,014)</u>	<u>-</u>
Net cash outflow for acquisitions and disposals	<u>(949,381)</u>	<u>-</u>
 Financing		
Amount introduced by directors	483,943	1,339,484
Amount withdrawn by directors	<u>(1,226,889)</u>	<u>(887,226)</u>
Net cash (outflow)/inflow from financing	<u>(742,946)</u>	<u>452,258</u>

The notes form part of these financial statements

The Abbey Group (UK) Ltd

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 October 2013

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/11/12 £	Cash flow £	At 31/10/13 £
Net cash:			
Cash at bank and in hand	12,512,935	5,054,859	17,567,794
Bank overdraft	(29,492)	29,492	-
	<u>12,483,443</u>	<u>5,084,351</u>	<u>17,567,794</u>
 Total	 <u>12,483,443</u>	 <u>5,084,351</u>	 <u>17,567,794</u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 31 October 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Consolidation

The group accounts consolidate the accounts of The Abbey Group UK Limited and its subsidiary companies. The subsidiaries financial years are all coterminous with that of the company except for the subsidiary Royal Villa Number 22 Limited, whose financial year ended on 31 December 2013.

Interim accounts to 31 October 2013 for Royal Villa Number 22 Limited have been prepared and consolidated into the group accounts of The Abbey Group UK Limited.

Turnover

Turnover is the amount derived from ordinary activities and stated after trade discounts, other sales taxes and Value Added Tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2007, is being amortised evenly over its estimated useful life of twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Plant and machinery	- 10% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

The Abbey Group (UK) Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2013

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. STAFF COSTS

	2013	2012 as restated
	£	£
Wages and salaries	5,461,141	4,813,034
Social security costs	577,550	500,675
Other pension costs	200,000	120,000
	<u>6,238,691</u>	<u>5,433,709</u>

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

	2013	2012 as restated
Production and Manual	-	151
Administration	-	13
	<u>-</u>	<u>164</u>

3. DIRECTORS' EMOLUMENTS

	2013	2012 as restated
	£	£
Directors' remuneration	<u>42,120</u>	<u>42,120</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
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4. OPERATING PROFIT

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

	2013	2012 as restated
	£	£
Other operating leases	27,504	27,504
Depreciation - owned assets	1,024,034	910,817
Loss/(profit) on disposal of fixed assets	3,673	(2,500)
Goodwill amortisation	114,458	114,000
Auditors' remuneration	21,260	16,888
Auditors' remuneration for non audit work	<u>4,461</u>	<u>18,654</u>

The Abbey Group (UK) Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2013

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012 as restated
	£	£
Corporation Tax Interest	<u>-</u>	<u>5,792</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2013	2012 as restated
	£	£
Current tax:		
UK corporation tax	4,134,845	2,706,731
Deferred tax	<u>(60,843)</u>	<u>(66,205)</u>
Tax on profit on ordinary activities	<u>4,074,002</u>	<u>2,640,526</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2013	2012 as restated
	£	£
Profit on ordinary activities before tax	<u>17,315,233</u>	<u>10,599,604</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012 - 24%)	3,982,504	2,543,905
Effects of:		
Expenses not deductible for tax purposes	42,779	37,098
Depreciation in excess of capital allowances	51,468	43,804
Utilisation of tax losses	1,679	(937)
Adjustments to tax charge in respect of previous periods	(16,643)	(7,974)
Tax charged at higher rates	<u>73,058</u>	<u>90,835</u>
Current tax charge	<u>4,134,845</u>	<u>2,706,731</u>

7. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £7,328,768 (2012 - £4,431,391).

The Abbey Group (UK) Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2013

8. DIVIDENDS

	2013	2012 as restated
	£	£
Ordinary shares of £1 each		
Final	-	4,000,000
Interim	150,000	(2,000,000)
B Ordinary shares of £1 each		
Interim	<u>180,000</u>	<u>420,000</u>
	<u>330,000</u>	<u>2,420,000</u>

9. PRIOR YEAR ADJUSTMENT

A prior year adjustment was required due to a late adjustment to dividends declared in the prior year.

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill
	£
COST	
At 1 November 2012	1,938,000
Additions	<u>119,341</u>
At 31 October 2013	<u>2,057,341</u>
AMORTISATION	
At 1 November 2012	228,000
Amortisation for year	<u>114,458</u>
At 31 October 2013	<u>342,458</u>
NET BOOK VALUE	
At 31 October 2013	<u>1,714,883</u>
At 31 October 2012	<u>1,710,000</u>

Company

	Goodwill
	£
COST	
At 1 November 2012 and 31 October 2013	<u>1,896,001</u>
AMORTISATION	
At 1 November 2012	186,001
Amortisation for year	<u>114,000</u>
At 31 October 2013	<u>300,001</u>
NET BOOK VALUE	
At 31 October 2013	<u>1,596,000</u>
At 31 October 2012	<u>1,710,000</u>

The Abbey Group (UK) Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2013**

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Plant and machinery £
COST OR VALUATION			
At 1 November 2012	3,735,327	-	7,236,283
Additions	4,265,202	304,374	817,200
Disposals	-	-	(64,218)
Revaluations	104,410	-	-
Reclassification/transfer	(72,361)	72,361	-
At 31 October 2013	<u>8,032,578</u>	<u>376,735</u>	<u>7,989,265</u>
DEPRECIATION			
At 1 November 2012	-	-	3,513,942
Charge for year	-	-	955,193
Eliminated on disposal	-	-	(44,953)
At 31 October 2013	<u>-</u>	<u>-</u>	<u>4,424,182</u>
NET BOOK VALUE			
At 31 October 2013	<u>8,032,578</u>	<u>376,735</u>	<u>3,565,083</u>
At 31 October 2012	<u>3,735,327</u>	<u>-</u>	<u>3,722,341</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 November 2012	261,719	313,741	10,576	11,557,646
Additions	108,304	65,711	14,609	5,575,400
Disposals	-	(39,834)	-	(104,052)
Revaluations	-	-	-	104,410
At 31 October 2013	<u>370,023</u>	<u>339,618</u>	<u>25,185</u>	<u>17,133,404</u>
DEPRECIATION				
At 1 November 2012	249,630	291,667	3,490	4,058,729
Charge for year	36,655	23,874	8,312	1,024,034
Eliminated on disposal	-	(34,276)	-	(79,229)
At 31 October 2013	<u>286,285</u>	<u>281,265</u>	<u>11,802</u>	<u>5,003,534</u>
NET BOOK VALUE				
At 31 October 2013	<u>83,738</u>	<u>58,353</u>	<u>13,383</u>	<u>12,129,870</u>
At 31 October 2012	<u>12,089</u>	<u>22,074</u>	<u>7,086</u>	<u>7,498,917</u>

The Abbey Group (UK) Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2013

11. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 October 2013 is represented by:

	Freehold property £
Valuation in 2013	<u>104,410</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2013	2012 as restated
	£	£
Cost	<u>813,302</u>	<u>-</u>
Value of land in freehold land and buildings	<u>917,712</u>	<u>-</u>

Freehold land and buildings were valued on an open market basis on 3 August 2013 by the directors..

The revaluation was undertaken by the directors after the acquisition of the subsidiary Royal Villa Number 22 Limited, the company within the group who owns the freehold title to this property, to accurately reflect the true value of the property to the group.

11. **TANGIBLE FIXED ASSETS - continued**

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 November 2012	3,662,966	6,199,251	261,719	306,241	10,430,177
Disposals	-	(64,218)	-	(39,834)	(104,052)
At 31 October 2013	<u>3,662,966</u>	<u>6,135,033</u>	<u>261,719</u>	<u>266,407</u>	<u>10,326,125</u>
DEPRECIATION					
At 1 November 2012	-	3,254,684	249,630	289,792	3,794,106
Charge for year	-	613,195	9,579	5,571	628,345
Eliminated on disposal	-	(44,953)	-	(34,276)	(79,229)
At 31 October 2013	<u>-</u>	<u>3,822,926</u>	<u>259,209</u>	<u>261,087</u>	<u>4,343,222</u>
NET BOOK VALUE					
At 31 October 2013	<u>3,662,966</u>	<u>2,312,107</u>	<u>2,510</u>	<u>5,320</u>	<u>5,982,903</u>
At 31 October 2012	<u>3,662,966</u>	<u>2,944,567</u>	<u>12,089</u>	<u>16,449</u>	<u>6,636,071</u>

The Abbey Group (UK) Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2013

12. FIXED ASSET INVESTMENTS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
		as restated		as restated
Shares in group undertakings	100	100	100	100
Other investments not loans	<u>68,750</u>	<u>68,750</u>	<u>68,750</u>	<u>67,750</u>
	<u><u>68,850</u></u>	<u><u>68,850</u></u>	<u><u>68,850</u></u>	<u><u>68,850</u></u>

Additional information is as follows:

GROUP

**Shares in
group
undertakings**
£

COST

At 1 November 2012 and 31 October 2013

100

NET BOOK VALUE

At 31 October 2013

100

At 31 October 2012

100

**Other
investments**
£

COST

At 1 November 2012 and 31 October 2013

68,750

NET BOOK VALUE

At 31 October 2013

68,750

At 31 October 2012

68,750

The Abbey Group (UK) Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2013

COMPANY

	Shares in group undertakin gs £
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COST

At 1 November 2012 and 31 October 2013	100
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NET BOOK VALUE

At 31 October 2013	<u>100</u>
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At 31 October 2012	<u>100</u>
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**Other
investments
£**

COST

At 1 November 2012 and 31 October 2013	<u>68,750</u>
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NET BOOK VALUE

At 31 October 2013	<u>68,750</u>
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At 31 October 2012	<u>68,750</u>
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13. INVESTMENT PROPERTY

Group

**Total
£**

COST

Additions	<u>219,631</u>
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At 31 October 2013	<u>219,631</u>
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NET BOOK VALUE

At 31 October 2013	<u>219,631</u>
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On 17 January 2013, the group acquired freehold investment property in Spain. Whilst no formal valuation was undertaken to value the property as at 31 October 2013, the directors feel that the value of the property is not materially different to the amount that the property cost the group on 17 January 2013.

14. STOCKS

	2013	Group 2012 as restated
	£	£
Work-in-progress	575,890	820,105
Finished goods	<u>546,593</u>	<u>656,717</u>
	<u>1,122,483</u>	<u>1,476,822</u>

The Abbey Group (UK) Ltd

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2013**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012 as restated	2013	2012 as restated
	£	£	£	£
Trade debtors	10,682,946	8,255,623	-	-
Amounts owed by group undertakings	-	1,142,357	10,877,131	3,292,504
Other debtors	3,832	-	-	-
No description	139,315	-	-	-
Directors' current accounts	932,404	135,814	-	-
Prepayments	40,217	33,509	-	-
	<u>11,798,714</u>	<u>9,567,303</u>	<u>10,877,131</u>	<u>3,292,504</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012 as restated	2013	2012 as restated
	£	£	£	£
Bank loans and overdrafts (see note 17)	-	29,492	-	-
Trade creditors	4,664,653	5,393,753	-	-
Amounts owed to group undertakings	-	1,140,000	-	-
Tax	2,076,655	1,316,831	196,144	308,355
Social security and other taxes	151,827	139,301	-	-
VAT	280,473	394,418	-	-
Other creditors	17,458	14,651	-	-
Directors' current accounts	33,946	-	-	-
Accrued expenses	83,574	48,393	-	-
	<u>7,308,586</u>	<u>8,476,839</u>	<u>196,144</u>	<u>308,355</u>

17. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2013	2012 as restated
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>29,492</u>

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	2013	2012 as restated	2013	2012 as restated
	£	£	£	£
Deferred tax	<u>164,173</u>	<u>225,016</u>	<u>143,416</u>	<u>212,514</u>

The Abbey Group (UK) Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2013

18. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 November 2012	225,016
Credit to profit and loss account during year	<u>(60,843)</u>
Balance at 31 October 2013	<u>164,173</u>

Company

	Deferred tax £
Balance at 1 November 2012	212,514
Credit to profit and loss account during year	<u>(69,098)</u>
Balance at 31 October 2013	<u>143,416</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013 £	2012 as restated £
200	Ordinary	£1	100	100
4	B Ordinary	£1	<u>4</u>	<u>4</u>
			<u>104</u>	<u>104</u>

20. RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 November 2012	24,132,867	-	24,132,867
Profit for the year	13,241,231		13,241,231
Dividends	(330,000)		(330,000)
differences	<u>854</u>	<u>104,410</u>	<u>105,264</u>
At 31 October 2013	<u>37,044,952</u>	<u>104,410</u>	<u>37,149,362</u>

The Abbey Group (UK) Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2013

20. RESERVES - continued

Company

	Profit and loss account £
At 1 November 2012	11,186,552
Profit for the year	7,328,768
Dividends	<u>(330,000)</u>
At 31 October 2013	<u><u>18,185,320</u></u>

21. RELATED PARTY DISCLOSURES

Included in debtors is an amount due from Mrs J M & Mr RS Neal, who are both directors of the group and are the ultimate controlling parties. There is also an amount due from Mrs G and Mr S Green. Mrs G Green is the daughter of Mrs J M and Mr R S Neal, and both are shareholders in the group. The loans are as follows:

	Balance brought forward as at 01/11/2012 £	Indrawn Net Salary and Dividends £	Drawings £	Balance carried forward as at 31/10/2013 £
Mrs J M and Mr R S Neal	(149,702)	261,286	(1,043,988)	(932,404)
Mrs G nad Mr S Green	(67,531)	115,942	(187,727)	(139,316)

The maximum outstanding balance due to the group from Mrs J M and Mr R S Neal during the year was £955,245.

The maximum outstanding balance due to the group from Mrs G and Mr S Green during the year was £173,866.

Included in creditors is an amount due to Mr J S and Mrs J Neal. Mr J S Neal is a director in the group and both Mr J S and Mrs J Neal are shareholders in the group. The loan is as follows:

	Balance brought forward as at 01/11/2012 £	Undrawn Net Salary and Dividends £	Drawings £	Balance carried forward as at 31/10/2013 £
Mr J S and Mrs J Neal	81,919	121,040	(169,013)	33,946

The maximum outstanding balance due to the group from Mr J S and Mrs J Neal during the year was £12,852.

22. POST BALANCE SHEET EVENTS

There are no events since the end of the year which require disclosure to the financial statements.

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr and Mrs Neal.

The Abbey Group (UK) Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2013

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2013	2012 as restated
	£	£
Profit for the financial year	13,241,231	7,959,078
Dividends	(330,000)	(2,420,000)
	12,911,231	5,539,078
Revaluation	104,410	-
Exchange rate gains on translation	853	-
Net addition to shareholders' funds	13,016,494	5,539,078
Opening shareholders' funds	24,132,972	18,593,894
Closing shareholders' funds	37,149,466	24,132,972

Company

	2013	2012 as restated
	£	£
Profit for the financial year	7,328,768	4,431,391
Dividends	(330,000)	(2,420,000)
Net addition to shareholders' funds	6,998,768	2,011,391
Opening shareholders' funds	11,186,656	9,175,265
Closing shareholders' funds	18,185,424	11,186,656