

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 October 2014
for
The Abbey Group UK Ltd

THURSDAY



A4D88P44

A34

06/08/2015

#285

COMPANIES HOUSE

Contents of the Consolidated Financial Statements
for the Year Ended 31 October 2014

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Profit and Loss Account	7
Consolidated Statement of Total Recognised Gains and Losses	8
Consolidated Balance Sheet	9
Company Balance Sheet	10
Consolidated Cash Flow Statement	11
Notes to the Consolidated Cash Flow Statement	12
Notes to the Consolidated Financial Statements	14

The Abbey Group UK Ltd
Company Information
for the Year Ended 31 October 2014

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

Group Strategic Report
for the Year Ended 31 October 2014

The directors present their strategic report of the company and the group for the year ended 31 October 2014.

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 fallen by 4.64% in the year, whilst cost of sales has risen by 13.23%.

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.

Group Strategic Report
for the Year Ended 31 October 2014

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 2013:

	2014	2013
	£	£
Revenue	40,228,664	42,185,860
Operating profit per employee	55,786	91,023
Turnover per production employee	192,482	229,271
Return on capital employed	52.9%	88.7%
Gross profit margin	41.2%	50.5%
Operating profit margin	28.9%	39.7%
Current Ratio	1.6:1	1.7:1

The revenue indicator represents the value of goods delivered to customers in the year and measures sales reduction 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:



Director

22 July 2015

Report of the Directors
for the Year Ended 31 October 2014

The directors present their report with the financial statements of the company and the group for the year ended 31 October 2014.

PRINCIPAL ACTIVITY

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

DIVIDENDS

Interim dividends per share were paid during the year as follows:

Ordinary £1	- £4675	- 31 July 2014
B Ordinary £1	- £70000	- 31 July 2014

The total distribution of dividends for the year ended 31 October 2014 will be £1,215,000.

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 2013 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.

Report of the Directors
for the Year Ended 31 October 2014

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 Hartley Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mrs J M Neal - Director

22 July 2015

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 2014 on pages seven to twenty six. 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 2014 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 Hartley Limited
5 Westbrook Court
Sharrowvale Road
Sheffield
South Yorkshire
S11 8YZ

22 July 2015

The Abbey Group UK Ltd (Registered number: 05891820)

Consolidated Profit and Loss Account
for the Year Ended 31 October 2014

	Notes	2014 £	2013 £
TURNOVER		40,228,664	42,185,860
Cost of sales		<u>23,644,072</u>	<u>20,879,985</u>
GROSS PROFIT		16,584,592	21,305,875
Administrative expenses		<u>4,487,627</u>	<u>4,118,365</u>
		12,096,965	17,187,510
Other operating income		<u>35,268</u>	<u>251</u>
OPERATING PROFIT	4	12,132,233	17,187,761
Interest receivable and similar income		<u>119,343</u>	<u>127,472</u>
		12,251,576	17,315,233
Interest payable and similar charges	5	<u>18</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,251,558	17,315,233
Tax on profit on ordinary activities	6	<u>2,718,551</u>	<u>4,074,002</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>9,533,007</u>	<u>13,241,231</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 (Registered number: 05891820)

Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 31 October 2014

	2014 £	2013 £
PROFIT FOR THE FINANCIAL YEAR	9,533,007	13,241,231
Unrealised surplus on revaluation of properties	-	104,410
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	9,533,007	13,345,641
	<hr/> <hr/>	<hr/> <hr/>

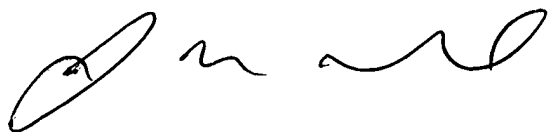
NOTE OF HISTORICAL COST PROFITS AND LOSSES

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 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	9	1,594,916	1,714,883
Tangible assets	10	15,548,802	12,129,870
Investments	11	68,850	68,850
Investment property	12	219,631	219,631
		<u>17,432,199</u>	<u>14,133,234</u>
CURRENT ASSETS			
Stocks	13	1,193,260	1,122,483
Debtors	14	16,662,799	11,798,714
Cash at bank		17,822,748	17,567,794
		<u>35,678,807</u>	<u>30,488,991</u>
CREDITORS			
Amounts falling due within one year	15	7,486,816	7,308,586
NET CURRENT ASSETS		<u>28,191,991</u>	<u>23,180,405</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>45,624,190</u>	<u>37,313,639</u>
PROVISIONS FOR LIABILITIES	16	156,717	164,173
NET ASSETS		<u>45,467,473</u>	<u>37,149,466</u>
CAPITAL AND RESERVES			
Called up share capital	17	104	104
Revaluation reserve	18	104,410	104,410
Profit and loss account		45,362,959	37,044,952
SHAREHOLDERS' FUNDS	22	<u>45,467,473</u>	<u>37,149,466</u>

The financial statements were approved by the Board of Directors on 22 July 2015 and were signed on its behalf by:

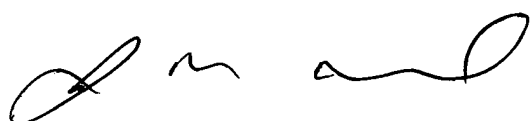


Mrs J M Neal - Director

Company Balance Sheet
31 October 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	9	1,482,000	1,596,000
Tangible assets	10	5,385,482	5,982,903
Investments	11	68,950	68,950
Investment property	12	-	-
		<u>6,936,432</u>	<u>7,647,853</u>
CURRENT ASSETS			
Debtors	14	16,665,987	10,877,131
CREDITORS			
Amounts falling due within one year	15	<u>195,657</u>	<u>196,144</u>
NET CURRENT ASSETS		<u>16,470,330</u>	<u>10,680,987</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,406,762</u>	<u>18,328,840</u>
PROVISIONS FOR LIABILITIES	16	<u>69,248</u>	<u>143,416</u>
NET ASSETS		<u><u>23,337,514</u></u>	<u><u>18,185,424</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	104	104
Profit and loss account		<u>23,337,410</u>	<u>18,185,320</u>
SHAREHOLDERS' FUNDS	22	<u><u>23,337,514</u></u>	<u><u>18,185,424</u></u>

The financial statements were approved by the Board of Directors on 22 July 2015 and were signed on its behalf by:



Mrs J M Neal - Director

Consolidated Cash Flow Statement
for the Year Ended 31 October 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	1	12,851,275	15,314,555
Returns on investments and servicing of finance	2	119,325	127,723
Taxation		(3,618,813)	(3,375,021)
Capital expenditure and financial investment	2	(4,553,926)	(4,960,579)
Acquisitions and disposals	2	-	(949,381)
Equity dividends paid		(1,215,000)	(330,000)
		<u>3,582,861</u>	<u>5,827,297</u>
Financing	2	(3,327,907)	(742,946)
Increase in cash in the period		<u>254,954</u>	<u>5,084,351</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>254,954</u>	<u>5,084,351</u>
Change in net funds resulting from cash flows		<u>254,954</u>	<u>5,084,351</u>
Movement in net funds in the period		<u>254,954</u>	<u>5,084,351</u>
Net funds at 1 November		<u>17,567,794</u>	<u>12,483,443</u>
Net funds at 31 October		<u>17,822,748</u>	<u>17,567,794</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 October 2014

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

	2014	2013
	£	£
Operating profit	12,132,233	17,187,761
Depreciation charges	1,268,052	1,138,491
(Profit)/loss on disposal of fixed assets	(13,090)	3,673
(Increase)/decrease in stocks	(70,777)	354,339
Increase in debtors	(1,570,124)	(2,577,178)
Increase/(decrease) in creditors	1,104,981	(792,531)
Net cash inflow from operating activities	<u>12,851,275</u>	<u>15,314,555</u>

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

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	119,343	127,472
Interest paid	(18)	-
Other operating income	-	251
Net cash inflow for returns on investments and servicing of finance	<u>119,325</u>	<u>127,723</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4,610,652)	(4,762,098)
Purchase of investment property	-	(219,631)
Sale of tangible fixed assets	56,726	21,150
Net cash outflow for capital expenditure and financial investment	<u>(4,553,926)</u>	<u>(4,960,579)</u>
Acquisitions and disposals		
Acquisition of investments in subsidiary	-	(178,367)
Loan to subsidiary	-	(771,014)
Net cash outflow for acquisitions and disposals	<u>-</u>	<u>(949,381)</u>
Financing		
Amount introduced by directors	932,404	483,943
Amount withdrawn by directors	(4,260,311)	(1,226,889)
Net cash outflow from financing	<u>(3,327,907)</u>	<u>(742,946)</u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 October 2014

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/11/13 £	Cash flow £	At 31/10/14 £
Net cash:			
Cash at bank	17,567,794	254,954	17,822,748
	<u>17,567,794</u>	<u>254,954</u>	<u>17,822,748</u>
 Total	 <u>17,567,794</u>	 <u>254,954</u>	 <u>17,822,748</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 October 2014

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 2014.

Interim accounts to 31 October 2014 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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2014

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

	2014	2013
	£	£
Wages and salaries	6,389,466	5,461,141
Social security costs	627,510	577,550
Other pension costs	124	200,000
	<u>7,017,100</u>	<u>6,238,691</u>

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

	2014	2013
Production and Manual	141	163
Administration	78	24
	<u>219</u>	<u>187</u>

3. DIRECTORS' EMOLUMENTS

	2014	2013
	£	£
Directors' remuneration	186,142	42,120
Directors' pension contributions to money purchase schemes	124	-
	<u>186,266</u>	<u>42,120</u>

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

	2014	2013
Money purchase schemes	<u>3</u>	<u>3</u>

4. OPERATING PROFIT

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

	2014	2013
	£	£
Other operating leases	27,504	27,504
Depreciation - owned assets	1,148,084	1,024,034
(Profit)/loss on disposal of fixed assets	(13,090)	3,673
Goodwill amortisation	119,967	114,458
Auditors' remuneration	27,495	21,260
Auditors' remuneration for non audit work	4,213	4,461
	<u>1,306,163</u>	<u>1,198,389</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	<u>18</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2014

6. TAXATION

Analysis of the tax charge

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

	2014 £	2013 £
Current tax:		
UK corporation tax	2,726,008	4,134,845
Deferred tax	(7,457)	(60,843)
Tax on profit on ordinary activities	<u>2,718,551</u>	<u>4,074,002</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:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>12,251,558</u>	<u>17,315,233</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	2,572,827	3,982,504
Effects of:		
Expenses not deductible for tax purposes	45,641	42,779
Depreciation in excess of capital allowances	4,207	51,468
Utilisation of tax losses	-	1,679
Adjustments to tax charge in respect of previous periods	-	(16,643)
Tax charged at higher rates	<u>103,333</u>	<u>73,058</u>
Current tax charge	<u>2,726,008</u>	<u>4,134,845</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 £6,367,090 (2013 - £7,328,768).

8. DIVIDENDS

	2014 £	2013 £
Ordinary shares of £1 each		
Interim	935,000	150,000
B Ordinary shares of £1 each		
Interim	<u>280,000</u>	<u>180,000</u>
	<u>1,215,000</u>	<u>330,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2014

9. INTANGIBLE FIXED ASSETS

Group

**Goodwill
£**

COST

At 1 November 2013
and 31 October 2014

2,057,341

AMORTISATION

At 1 November 2013
Amortisation for year

342,458

119,967

At 31 October 2014

462,425

NET BOOK VALUE

At 31 October 2014

1,594,916

At 31 October 2013

1,714,883

Company

**Goodwill
£**

COST

At 1 November 2013
and 31 October 2014

1,896,001

AMORTISATION

At 1 November 2013
Amortisation for year

300,001

114,000

At 31 October 2014

414,001

NET BOOK VALUE

At 31 October 2014

1,482,000

At 31 October 2013

1,596,000

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2014

10. **TANGIBLE FIXED ASSETS**

Group

	Freehold property £	Long leasehold £	Plant and machinery £
COST OR VALUATION			
At 1 November 2013	8,032,578	376,735	7,989,265
Additions	3,194,101	572	1,246,198
Disposals	-	-	(100,252)
At 31 October 2014	11,226,679	377,307	9,135,211
DEPRECIATION			
At 1 November 2013	-	-	4,424,182
Charge for year	-	-	1,042,112
Eliminated on disposal	-	-	(56,616)
At 31 October 2014	-	-	5,409,678
NET BOOK VALUE			
At 31 October 2014	11,226,679	377,307	3,725,533
At 31 October 2013	8,032,578	376,735	3,565,083

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 November 2013	370,023	339,618	25,185	17,133,404
Additions	2,943	140,225	26,613	4,610,652
Disposals	-	-	-	(100,252)
At 31 October 2014	372,966	479,843	51,798	21,643,804
DEPRECIATION				
At 1 November 2013	286,285	281,265	11,802	5,003,534
Charge for year	30,320	58,583	17,069	1,148,084
Eliminated on disposal	-	-	-	(56,616)
At 31 October 2014	316,605	339,848	28,871	6,095,002
NET BOOK VALUE				
At 31 October 2014	56,361	139,995	22,927	15,548,802
At 31 October 2013	83,738	58,353	13,383	12,129,870

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2014

10. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 October 2014 is represented by:

	Freehold property £	Long leasehold £	Plant and machinery £
Valuation in 2013	104,410	-	-
Cost	11,122,269	377,307	9,135,211
	11,226,679	377,307	9,135,211

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2013	-	-	-	104,410
Cost	372,966	479,843	51,798	21,539,394
	372,966	479,843	51,798	21,643,804

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

	2014 £	2013 £
Cost	813,302	813,302
Value of land in freehold land and buildings	917,712	917,712

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2014

10. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 November 2013 and 31 October 2014	3,662,966	6,135,033	261,719	266,407	10,326,125
DEPRECIATION					
At 1 November 2013	-	3,822,926	259,209	261,087	4,343,222
Charge for year	-	589,591	2,510	5,320	597,421
At 31 October 2014	-	4,412,517	261,719	266,407	4,940,643
NET BOOK VALUE					
At 31 October 2014	3,662,966	1,722,516	-	-	5,385,482
At 31 October 2013	3,662,966	2,312,107	2,510	5,320	5,982,903

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2014

11. 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	68,750	68,750	68,750	67,750
	<u>68,850</u>	<u>68,850</u>	<u>68,850</u>	<u>68,850</u>

Additional information is as follows:

GROUP

	Shares in group undertaking s £
COST	
At 1 November 2012 and 31 October 2013	<u>100</u>
NET BOOK VALUE	
At 31 October 2013	<u>100</u>
At 31 October 2012	<u>100</u>

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

COMPANY

	Shares in group undertaking s £
COST	
At 1 November 2012 and 31 October 2013	<u>100</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2014

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

12. INVESTMENT PROPERTY

Group

**Total
£**

COST

At 1 November 2013
and 31 October 2014 219,631

NET BOOK VALUE

At 31 October 2014 219,631

At 31 October 2013 219,631

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.

13. STOCKS

	Group	
	2014	2013
	£	£
Work-in-progress	365,037	575,890
Finished goods	828,223	546,593
	1,193,260	1,122,483

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2014

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	11,416,367	10,682,946	-	-
Amounts owed by group undertakings	-	-	16,665,987	10,877,131
Other debtors	3,939	3,832	-	-
No description	941,601	139,315	-	-
Directors' current accounts	4,226,365	932,404	-	-
Prepayments	74,527	40,217	-	-
	<u>16,662,799</u>	<u>11,798,714</u>	<u>16,665,987</u>	<u>10,877,131</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	5,811,850	4,664,653	1	-
Doubtful debts	18,823	-	-	-
Tax	1,183,850	2,076,655	195,656	196,144
Social security and other taxes	170,237	151,827	-	-
VAT	198,918	280,473	-	-
Other creditors	33,178	17,458	-	-
Directors' current accounts	-	33,946	-	-
Accrued expenses	69,960	83,574	-	-
	<u>7,486,816</u>	<u>7,308,586</u>	<u>195,657</u>	<u>196,144</u>

16. PROVISIONS FOR LIABILITIES

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Deferred tax	<u>156,717</u>	<u>164,173</u>	<u>69,248</u>	<u>143,416</u>

Group

	Deferred tax
	£
Balance at 1 November 2013	164,173
Credit to Profit and Loss Account during year	(7,456)
Balance at 31 October 2014	<u>156,717</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2014

16. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £
Balance at 1 November 2013	143,416
Credit to Profit and Loss Account during year	<u>(74,168)</u>
Balance at 31 October 2014	<u><u>69,248</u></u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2014 £	2013 £
200	Ordinary	£1	100	100
4	B Ordinary	£1	<u>4</u>	<u>4</u>
			<u><u>104</u></u>	<u><u>104</u></u>

18. RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 November 2013	37,044,952	104,410	37,149,362
Profit for the year	9,533,007		9,533,007
Dividends	<u>(1,215,000)</u>		<u>(1,215,000)</u>
At 31 October 2014	<u><u>45,362,959</u></u>	<u><u>104,410</u></u>	<u><u>45,467,369</u></u>

Company

	Profit and loss account £
At 1 November 2013	18,185,320
Profit for the year	6,367,090
Dividends	<u>(1,215,000)</u>
At 31 October 2014	<u><u>23,337,410</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2014

19. 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.

20. POST BALANCE SHEET EVENTS

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

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr and Mrs Neal.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2014 £	2013 £
Profit for the financial year	9,533,007	13,241,231
Dividends	(1,215,000)	(330,000)
	8,318,007	12,911,231
Other recognised gains and losses relating to the year (net)	-	104,410
Revaluation		
Exchange rate gains on translation	-	854
	8,318,007	13,016,495
Net addition to shareholders' funds	37,149,466	24,132,971
Opening shareholders' funds		
	45,467,473	37,149,466
Closing shareholders' funds		

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 October 2014

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	2014	2013
	£	£
Profit for the financial year	6,367,090	7,328,768
Dividends	(1,215,000)	(330,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	5,152,090	6,998,768
Opening shareholders' funds	18,185,424	11,186,656
	<hr/>	<hr/>
Closing shareholders' funds	23,337,514	18,185,424
	<hr/>	<hr/>