REGISTERED NUMBER: 05891820 (England and Wales)

# Group Strategic Report, Report of the Directors and

# Consolidated Financial Statements for the Year Ended 31 October 2022

# for

# The Abbey Group Uk Limited

## Contents of the Consolidated Financial Statements for the Year Ended 31 October 2022

**The Abbey Group Uk Limited**

**Company Information**
**for the Year Ended 31 October 2022**

| | |
|---|---|
| **DIRECTORS:** | Mrs J M Neal<br>Mr R S Neal<br>Mrs G Green |
| **SECRETARY:** | Mr R S Neal |
| **REGISTERED OFFICE:** | Beeley Wood Works<br>Beeley Wood Lane<br>Sheffield<br>South Yorkshire<br>S6 1ND |
| **REGISTERED NUMBER:** | 05891820 (England and Wales) |
| **AUDITORS:** | Sutton McGrath Hartley<br>5 Westbrook Court<br>Sharrowvale Road<br>Sheffield<br>South Yorkshire<br>S11 8YZ |

# Group Strategic Report
# for the Year Ended 31 October 2022

The directors present their strategic report of the company and the group for the year ended 31 October 2022.

**REVIEW OF BUSINESS**
The company has seen a very healthy increase in turnover of approximately 53% and a subsequent increase in overall profitability with this almost doubling from the previous year as the factors impacting 2021's performance have started to subside.

Last year's backdrop of events across the globe due to the COVID-19 pandemic have levelled off and a UK economic recovery of sorts meant less uncertainty around certain revenue streams. The pandemic had impacted performance and results as output was naturally suppressed during national lockdowns and issues faced within international freight.

There has been a high increase in energy prices towards the end of this financial year. This may impact the future profit margins of the company, however the company expects to continue to achieve future turnover growth and continue technological advancements in line with its expectations.

**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 too heavily on one major supplier for raw materials which gives the group access to readily available raw materials at competitive prices.

3. Market Volatility
With the main trade of the group being 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 2022**

**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:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Revenue | 31,310,621 | 20,441,656 |
| Operating profit per employee | 41,932 | 22,629 |
| Turnover per employee | 168,337 | 103,765 |
| Return on capital employed | 16.3% | 9.8% |
| Gross profit margin | 32.05% | 36.25% |
| Operating profit margin | 24.8% | 21.8% |
| Current Ratio | 4.5:1 | 9.0:1 |

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 factoring in direct costs only.

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 meet short term liabilities 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

12 July 2023

# Report of the Directors
## for the Year Ended 31 October 2022

The directors present their report with the financial statements of the company and the group for the year ended 31 October 2022.

**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 2022 will be £ 4,390,000 .

**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 2021 to the date of this report.

Mrs J M Neal
Mr R S Neal
Mrs G Green

**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 funds are available when required to meet any demands on cash flow.

Trade debtors are managed in respect of credit and cash flow risk by the regular monitoring of customer credit limits and any breaches of payment terms.

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

**DONATIONS AND EXPENDITURE**
During the year the company made charitable donations to the following charities;
- St James House, in respect of the Queen's Platinum Jubilee - £48,695
- The Outward Bound Trust - £28,000
- The Childrens Hospital Charity - £8,000
- Various smaller donations - £14,492

**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 2022**

**EMPLOYMENT POLICIES**
The group has equal opportunities policies which are applied in both the recruitment process and across the existing workforce.

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.

**DISCLOSURE IN THE STRATEGIC REPORT**
The directors have chosen to disclose in their strategic report information including a fair review of business in the period alongside comments surrounding the financial risk management objectives and policies of the entity. This is also accompanied by a detailed performance monitoring section containing KPI's the directors feel measure the entity most accurately.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**
The directors are responsible for preparing the Group Strategic Report, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

## Report of the Directors
## for the Year Ended 31 October 2022

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

**ON BEHALF OF THE BOARD:**

Mrs J M Neal - Director

12 July 2023

# Report of the Independent Auditors to the Members of The Abbey Group Uk Limited

**Opinion**
We have audited the financial statements of The Abbey Group Uk Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 31 October 2022 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.

**Basis for opinion**
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**
The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Report of the Independent Auditors to the Members of**
**The Abbey Group Uk Limited**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

**Responsibilities of directors**

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment of the susceptibility to material misstatement, whether by fraud or error, is made in a risk based approach.

In this approach, laws and regulations applicable to the entity, such as the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, the relevant tax compliance regulations within the UK, employment law, and Health and Safety law is considered, and the policies and controls the entity has in place to comply with these laws are reviewed, by discussion, reviews of correspondence and registrations monitored by external bodies. The engagement team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Policies and controls relating to the risk of material misstatement as a result of fraud, management override of controls, and revenue recognitions are also considered. These are assessed by obtaining an understanding of the company's operations and control environment. The policies and controls have been reviewed by discussion, review and sample testing of accounting entries, including journals, challenging assumptions and judgements, reviewing and evaluating related parties transactions, and wider background searches. Testing of income recognition and cut off is also completed, along with testing of consolidation adjustments.

We have ensured that the engagement team have appropriate levels of competence and experience to effectively monitor these risks and carry out work relevant to our assessment of each risk, including consideration of the industry the company operates in and its size and complexity.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Use of our report**
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.

Jonathon Dickens ACA (Senior Statutory Auditor)
for and on behalf of Sutton McGrath Hartley
5 Westbrook Court
Sharrowvale Road
Sheffield
South Yorkshire
S11 8YZ

17 July 2023

## Consolidated
## Income Statement
## for the Year Ended 31 October 2022

| | Notes | 2022 £ | 2021 £ |
|---|---|---|---|
| **TURNOVER** | 3 | **31,310,621** | 20,441,656 |
| Cost of sales | | **21,276,379** | 13,036,222 |
| **GROSS PROFIT** | | **10,034,242** | 7,405,434 |
| Administrative expenses | | **2,530,620** | 3,591,487 |
| | | **7,503,622** | 3,813,947 |
| Other operating income | | **249,137** | 643,885 |
| **OPERATING PROFIT** | 6 | **7,752,759** | 4,457,832 |
| Interest receivable and similar income | | **125,086** | 34,716 |
| **PROFIT BEFORE TAXATION** | | **7,877,845** | 4,492,548 |
| Tax on profit | 7 | **1,349,740** | 883,911 |
| **PROFIT FOR THE FINANCIAL YEAR** | | **6,528,105** | 3,608,637 |
| Profit attributable to: | | | |
| Owners of the parent | | **6,515,567** | 3,583,769 |
| Non-controlling interests | | **12,538** | 24,868 |
| | | **6,528,105** | 3,608,637 |

The notes form part of these financial statements

## Consolidated
## Other Comprehensive Income
## for the Year Ended 31 October 2022

| | Notes | 2022 £ | 2021 £ |
|---|---|---|---|
| **PROFIT FOR THE YEAR** | | **6,528,105** | 3,608,637 |
| **OTHER COMPREHENSIVE INCOME** | | **-** | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **6,528,105** | 3,608,637 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | **6,515,567** | 3,583,769 |
| Non-controlling interests | | **12,538** | 24,868 |
| | | 6,528,105 | 3,608,637 |

The notes form part of these financial statements

## Consolidated Statement of Financial Position
## 31 October 2022

| | Notes | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 10 | | **635,156** | | 755,124 |
| Tangible assets | 11 | | **18,057,001** | | 18,162,634 |
| Investments | 12 | | **68,850** | | 68,850 |
| Investment property | 13 | | **2,985,389** | | 2,985,389 |
| | | | **21,746,396** | | 21,971,997 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 14 | **688,069** | | 478,355 | |
| Debtors | 15 | **18,113,672** | | 9,683,405 | |
| Cash at bank and in hand | | **14,589,839** | | 16,467,408 | |
| | | **33,391,580** | | 26,629,168 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | **7,358,385** | | 2,959,679 | |
| **NET CURRENT ASSETS** | | | **26,033,195** | | 23,669,489 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | **47,779,591** | | 45,641,486 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 18 | | **203** | | 203 |
| Retained earnings | | | **47,483,136** | | 45,357,569 |
| **SHAREHOLDERS' FUNDS** | | | **47,483,339** | | 45,357,772 |
| **NON-CONTROLLING INTERESTS** | 19 | | **296,252** | | 283,714 |
| **TOTAL EQUITY** | | | **47,779,591** | | 45,641,486 |

The financial statements were approved by the Board of Directors and authorised for issue on 12 July 2023 and were signed on its behalf by:

Mrs J M Neal - Director

The notes form part of these financial statements

## Company Statement of Financial Position
## 31 October 2022

| | Notes | £ | 2022 £ | £ | 2021 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 10 | | **570,000** | | 684,000 |
| Tangible assets | 11 | | **6,472,516** | | 6,472,516 |
| Investments | 12 | | **68,956** | | 68,956 |
| Investment property | 13 | | - | | - |
| | | | **7,111,472** | | 7,225,472 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | **19,729,028** | | 18,832,722 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | **215,708** | | 309,270 | |
| **NET CURRENT ASSETS** | | | **19,513,320** | | 18,523,452 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | **26,624,792** | | 25,748,924 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 18 | | **203** | | 203 |
| Retained earnings | | | **26,624,589** | | 25,748,721 |
| **SHAREHOLDERS' FUNDS** | | | **26,624,792** | | 25,748,924 |
| Company's profit for the financial year | | | **5,265,868** | | 3,472,791 |

The financial statements were approved by the Board of Directors and authorised for issue on 12 July 2023 and were signed on its behalf by:

Mrs J M Neal - Director

## Consolidated Statement of Changes in Equity for the Year Ended 31 October 2022

| | Called up share capital £ | Retained earnings £ | Total £ | Non-controlling interests £ | Total equity £ |
|---|---|---|---|---|---|
| **Balance at 1 November 2020** | 203 | 44,873,800 | 44,874,003 | 258,846 | 45,132,849 |
| **Changes in equity** | | | | | |
| Dividends | - | (3,100,000) | (3,100,000) | - | (3,100,000) |
| Total comprehensive income | - | 3,583,769 | 3,583,769 | 24,868 | 3,608,637 |
| **Balance at 31 October 2021** | 203 | 45,357,569 | 45,357,772 | 283,714 | 45,641,486 |
| **Changes in equity** | | | | | |
| Dividends | - | (4,390,000) | (4,390,000) | - | (4,390,000) |
| Total comprehensive income | - | 6,515,567 | 6,515,567 | 12,538 | 6,528,105 |
| **Balance at 31 October 2022** | 203 | 47,483,136 | 47,483,339 | 296,252 | 47,779,591 |

The notes form part of these financial statements

## Company Statement of Changes in Equity for the Year Ended 31 October 2022

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|---|---|---|---|
| **Balance at 1 November 2020** | 203 | 25,375,930 | 25,376,133 |
| **Changes in equity** | | | |
| Dividends | - | (3,100,000) | (3,100,000) |
| Total comprehensive income | - | 3,472,791 | 3,472,791 |
| **Balance at 31 October 2021** | 203 | 25,748,721 | 25,748,924 |
| **Changes in equity** | | | |
| Dividends | - | (4,390,000) | (4,390,000) |
| Total comprehensive income | - | 5,265,868 | 5,265,868 |
| **Balance at 31 October 2022** | 203 | 26,624,589 | 26,624,792 |

The notes form part of these financial statements

## Consolidated Statement of Cash Flows
## for the Year Ended 31 October 2022

| | Notes | 2022<br>£ | 2021<br>£ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 1 | **2,813,734** | 5,412,264 |
| Tax paid | | **(602,894)** | (1,297,345) |
| Net cash from operating activities | | **2,210,840** | 4,114,919 |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of tangible fixed assets | | **(376,306)** | (63,902) |
| Sale of tangible fixed assets | | **88,990** | 18,500 |
| Interest received | | **125,086** | 34,716 |
| Net cash from investing activities | | **(162,230)** | (10,686) |
| | | | |
| **Cash flows from financing activities** | | | |
| Amount introduced by directors | | **3,753,684** | 2,930,546 |
| Amount withdrawn by directors | | **(3,289,863)** | (3,447,513) |
| Equity dividends paid | | **(4,390,000)** | (3,100,000) |
| Net cash from financing activities | | **(3,926,179)** | (3,616,967) |
| | | | |
| **(Decrease)/increase in cash and cash equivalents** | | **(1,877,569)** | 487,266 |
| **Cash and cash equivalents at beginning of year** | 2 | **16,467,408** | 15,980,142 |
| | | | |
| **Cash and cash equivalents at end of year** | 2 | **14,589,839** | 16,467,408 |

The notes form part of these financial statements

## Notes to the Consolidated Statement of Cash Flows for the Year Ended 31 October 2022

### 1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Profit before taxation | **7,877,845** | 4,492,548 |
| Depreciation charges | **556,265** | 768,361 |
| Profit on disposal of fixed assets | **(43,348)** | (5,444) |
| Finance income | **(125,086)** | (34,716) |
| | **8,265,676** | 5,220,749 |
| (Increase)/decrease in stocks | **(209,714)** | 105,365 |
| (Increase)/decrease in trade and other debtors | **(8,628,558)** | 546,687 |
| Increase/(decrease) in trade and other creditors | **3,386,330** | (460,537) |
| **Cash generated from operations** | **2,813,734** | 5,412,264 |

### 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 October 2022**

| | 31/10/22 | 1/11/21 |
|---|---|---|
| | £ | £ |
| Cash and cash equivalents | **14,589,839** | **16,467,408** |

**Year ended 31 October 2021**

| | 31/10/21 | 1/11/20 |
|---|---|---|
| | £ | £ |
| Cash and cash equivalents | 16,467,408 | 15,980,142 |

### 3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/11/21 | Cash flow | At 31/10/22 |
|---|---|---|---|
| | £ | £ | £ |
| **Net cash** | | | |
| Cash at bank and in hand | **16,467,408** | **(1,877,569)** | **14,589,839** |
| | **16,467,408** | **(1,877,569)** | **14,589,839** |
| **Total** | **16,467,408** | **(1,877,569)** | **14,589,839** |

## Notes to the Consolidated Financial Statements for the Year Ended 31 October 2022

### 1. STATUTORY INFORMATION

The Abbey Group Uk Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

### 2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. 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 2022.

Interim accounts to 31 October 2022 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 businesses in 2007, is being amortised evenly over its estimated useful life of twenty and sixteen years respectively.

**Intangible assets**
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**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 |
| Long leasehold | - not provided |
| Plant and machinery | - 25% on reducing balance, 20% on reducing balance, 10% on cost and 5% on reducing balance |
| Fixtures and fittings | - 25% on cost and 20% on cost |
| Motor vehicles | - 20% on reducing balance and 15% on reducing balance |
| Computer equipment | - 33% on cost |

The directors consider that freehold properties are maintained in such a state of repair that their residual value is at least equal to their net book values. As a result, the corresponding depreciation would not be material and therefore is not charged to the profit and loss account.

The directors perform annual impairment reviews in accordance with the requirements of FRS102 section 17 and section 27 to ensure that the carrying value is not lower than the recoverable amount.

**Investment property**
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.



continued...

2. **ACCOUNTING POLICIES - continued**

**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 is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

**Taxation**
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Deferred tax**
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

**Foreign currencies**
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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 profit or loss 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 profit or loss in the period to which they relate.

**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.



continued...

## 3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| United Kingdom | **25,743,099** | 16,965,626 |
| Europe | **2,636,321** | 1,691,765 |
| Rest of the world | **2,931,201** | 1,784,265 |
| | **31,310,621** | 20,441,656 |

## 4. EMPLOYEES AND DIRECTORS

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Wages and salaries | **6,236,213** | 6,025,659 |
| Social security costs | **675,019** | 606,025 |
| Other pension costs | **178,228** | 177,348 |
| | **7,089,460** | 6,809,032 |

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

| | 2022 | 2021 |
|---|---|---|
| Production and Manual | **135** | 144 |
| Administration | **51** | 53 |
| | **186** | 197 |

## 5. DIRECTORS' EMOLUMENTS

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Directors' remuneration | **99,822** | 97,957 |
| Directors' pension contributions to money purchase schemes | **1,321** | 1,318 |

## 6. OPERATING PROFIT

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

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Other operating leases | **35,850** | 30,747 |
| Depreciation - owned assets | **436,297** | 648,394 |
| Profit on disposal of fixed assets | **(43,348)** | (5,444) |
| Goodwill amortisation | **119,968** | 119,967 |
| Auditors' remuneration | **19,144** | 18,567 |
| Auditors' remuneration for non audit work | **16,744** | 15,294 |
| Foreign exchange differences | **(951,041)** | 133,765 |



continued...

## 7. TAXATION

**Analysis of the tax charge**

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

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | **1,376,120** | 919,904 |
| Prior Year overprovision | **(32,335)** | 1,319 |
| Total current tax | **1,343,785** | 921,223 |
| | | |
| Deferred tax | **5,955** | (37,312) |
| Tax on profit | **1,349,740** | 883,911 |

**Reconciliation of total tax charge included in profit and loss**

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

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Profit before tax | **7,877,845** | 4,492,548 |
| Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %) | **1,496,791** | 853,584 |
| | | |
| Effects of: | | |
| Expenses not deductible for tax purposes | **55,296** | 24,361 |
| Income not taxable for tax purposes | **(42,734)** | (18,794) |
| Capital allowances in excess of depreciation | **(41,312)** | - |
| Depreciation in excess of capital allowances | **-** | 60,754 |
| | | |
| Deferred tax movement | **5,955** | (37,313) |
| | | |
| Prior years overprovision | **-** | 1,319 |
| Research and Development extended relief | **(91,921)** | - |
| Prior years underprovision | **(32,335)** | - |
| Total tax charge | **1,349,740** | 883,911 |

## 8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.



continued...

## 9. DIVIDENDS

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Ordinary shares of £1 each | | |
| Interim | **2,870,000** | 2,575,000 |
| B Ordinary shares of £1 each | | |
| Interim | **1,520,000** | 525,000 |
| | **4,390,000** | 3,100,000 |

## 10. INTANGIBLE FIXED ASSETS

**Group**

| | Goodwill |
|---|---|
| | £ |
| **COST** | |
| At 1 November 2021 | |
| and 31 October 2022 | **2,057,321** |
| **AMORTISATION** | |
| At 1 November 2021 | **1,302,197** |
| Amortisation for year | **119,968** |
| At 31 October 2022 | **1,422,165** |
| **NET BOOK VALUE** | |
| At 31 October 2022 | **635,156** |
| At 31 October 2021 | 755,124 |

**Company**

| | Goodwill |
|---|---|
| | £ |
| **COST** | |
| At 1 November 2021 | |
| and 31 October 2022 | **1,896,001** |
| **AMORTISATION** | |
| At 1 November 2021 | **1,212,001** |
| Amortisation for year | **114,000** |
| At 31 October 2022 | **1,326,001** |
| **NET BOOK VALUE** | |
| At 31 October 2022 | **570,000** |
| At 31 October 2021 | 684,000 |



continued...

## 11. TANGIBLE FIXED ASSETS

**Group**

| | Freehold property £ | Long leasehold £ | Plant and machinery £ |
|---|---|---|---|
| **COST OR VALUATION** | | | |
| At 1 November 2021 | 16,458,325 | 377,307 | 11,688,577 |
| Additions | - | - | 246,312 |
| Disposals | - | - | (36,500) |
| At 31 October 2022 | 16,458,325 | 377,307 | 11,898,389 |
| **DEPRECIATION** | | | |
| At 1 November 2021 | - | - | 10,559,659 |
| Charge for year | - | - | 390,840 |
| Eliminated on disposal | - | - | (29,565) |
| At 31 October 2022 | - | - | 10,920,934 |
| **NET BOOK VALUE** | | | |
| At 31 October 2022 | 16,458,325 | 377,307 | 977,455 |
| At 31 October 2021 | 16,458,325 | 377,307 | 1,128,918 |

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|---|---|---|---|---|
| **COST OR VALUATION** | | | | |
| At 1 November 2021 | 574,547 | 803,257 | 159,699 | 30,061,712 |
| Additions | 14,690 | 83,077 | 32,227 | 376,306 |
| Disposals | - | (151,137) | (17,964) | (205,601) |
| At 31 October 2022 | 589,237 | 735,197 | 173,962 | 30,232,417 |
| **DEPRECIATION** | | | | |
| At 1 November 2021 | 563,414 | 627,288 | 148,717 | 11,899,078 |
| Charge for year | 5,712 | 26,083 | 13,662 | 436,297 |
| Eliminated on disposal | - | (112,430) | (17,964) | (159,959) |
| At 31 October 2022 | 569,126 | 540,941 | 144,415 | 12,175,416 |
| **NET BOOK VALUE** | | | | |
| At 31 October 2022 | 20,111 | 194,256 | 29,547 | 18,057,001 |
| At 31 October 2021 | 11,133 | 175,969 | 10,982 | 18,162,634 |



continued...

11. **TANGIBLE FIXED ASSETS - continued**

**Group**

Cost or valuation at 31 October 2022 is represented by:

| | Freehold property £ | Long leasehold £ | Plant and machinery £ |
|---|---|---|---|
| Cost | 16,458,325 | 377,307 | 11,898,389 |

| | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|---|---|---|---|---|
| Cost | 589,237 | 735,197 | 173,962 | 30,232,417 |

**Company**

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Totals £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 November 2021 and 31 October 2022 | 6,472,516 | 5,941,843 | 249,049 | 12,663,408 |
| **DEPRECIATION** | | | | |
| At 1 November 2021 and 31 October 2022 | - | 5,941,843 | 249,049 | 6,190,892 |
| **NET BOOK VALUE** | | | | |
| At 31 October 2022 | 6,472,516 | - | - | 6,472,516 |
| At 31 October 2021 | 6,472,516 | - | - | 6,472,516 |

12. **FIXED ASSET INVESTMENTS**

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Shares in group undertakings | - | - | 106 | 106 |
| Other investments not loans | 68,850 | 68,850 | 68,850 | 68,850 |
| | 68,850 | 68,850 | 68,956 | 68,956 |



continued...

## 12. FIXED ASSET INVESTMENTS - continued

Additional information is as follows:

**Group**

Investments (neither listed nor unlisted) were as follows:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Artwork | **68,850** | 68,850 |

**Company**

| | Shares in group undertakings |
|---|---|
| | £ |
| **COST** | |
| At 1 November 2021 and 31 October 2022 | **106** |
| **NET BOOK VALUE** | |
| At 31 October 2022 | **106** |
| At 31 October 2021 | 106 |

Investments (neither listed nor unlisted) were as follows:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Artwork | **68,850** | 68,850 |

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Subsidiaries**

**Abbey Forged Products Limited**
Registered office: Beeley Wood Works, Beeley Wood Lane Sheffield, S6 1ND
Nature of business: steel forgers

| | % holding |
|---|---|
| Class of shares: | |
| Ordinary | 100.00 |

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Aggregate capital and reserves | **22,143,423** | 21,010,640 |
| Profit for the year | **5,522,783** | 3,126,581 |



continued...

12. **FIXED ASSET INVESTMENTS - continued**

**Forge UK Ltd**
Registered office: Beeley Wood Works, Beeley Wood Lane Sheffield, S6 1ND
Nature of business: Dormant company

| Class of shares: | % holding |
|---|---|
| Ordinary | 100.00 |

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Aggregate capital and reserves | 100 | 100 |

**Abbey Engineered Products Limited**
Registered office: Beeley Wood Works, Beeley Wood Lane Sheffield, S6 1ND
Nature of business: sale of steel products

| Class of shares: | % holding |
|---|---|
| Ordinary | 80.00 |

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Aggregate capital and reserves | 1,441,262 | 1,378,671 |
| Profit for the year | 62,691 | 124,342 |

**Royal Villa Number 22 Limited**
Registered office: Office of Tricor Services (BVI) Limited PO Box 3340, 2F Palm Grove House, Tortola
Nature of business: property investment

| Class of shares: | % holding |
|---|---|
| Ordinary | 100.00 |

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Aggregate capital and reserves | (383,408) | (461,049) |
| Profit for the year | 77,641 | 41,967 |

**Ocean Drive Lot 2A Inc**
Registered office: Beeley Wood Works, Beeley Wood Lane Sheffield, S6 1ND
Nature of business: property investment

| Class of shares: | % holding |
|---|---|
| Ordinary | 100.00 |

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Aggregate capital and reserves | (26,455) | (26,455) |



continued...

## 12. FIXED ASSET INVESTMENTS - continued

**Ocean Drive Lot 4a Inc**
Registered office: Beeley Wood Works, Beeley Wood Lane Sheffield, S6 1ND
Nature of business: property investment

| | | | |
|---|---|---|---|
| | % | | |
| Class of shares: | holding | | |
| Ordinary | 100.00 | | |
| | | **2022** | 2021 |
| | | **£** | £ |
| Aggregate capital and reserves | | **(1,804,362)** | (1,799,452) |
| Loss for the year | | **(4,910)** | (11,077) |

## 13. INVESTMENT PROPERTY

**Group**

| | Total |
|---|---|
| | **£** |
| **FAIR VALUE** | |
| At 1 November 2021 | |
| and 31 October 2022 | **2,985,389** |
| **NET BOOK VALUE** | |
| At 31 October 2022 | **2,985,389** |
| At 31 October 2021 | 2,985,389 |

Fair value at 31 October 2022 is represented by:

| | £ |
|---|---|
| Valuation in 2013 | **104,410** |
| Valuation in 2017 | **(1,574,909)** |
| Valuation in 2019 | **51,819** |
| Valuation in 2020 | **(315,762)** |
| Cost | **4,719,831** |
| | **2,985,389** |

If investment properties had not been revalued they would have been included at the following historical cost:

| | 2022 | 2021 |
|---|---|---|
| | **£** | £ |
| Cost | **4,719,831** | 4,719,831 |
| Aggregate depreciation | **(487,670)** | (440,472) |

Investment properties were valued on an open market basis on 31 October 2022 by the Directors .



continued...

## 14. STOCKS

| | Group | |
|---|---|---|
| | **2022** | 2021 |
| | **£** | £ |
| Work-in-progress | **278,574** | 180,445 |
| Finished goods | **409,495** | 297,910 |
| | **688,069** | 478,355 |

## 15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **£** | £ | **£** | £ |
| Trade debtors | **8,068,992** | 4,243,718 | **-** | - |
| Amounts owed by group undertakings | **-** | - | **19,656,464** | 18,765,728 |
| Other debtors | **6,372,034** | 1,884,825 | **-** | - |
| Directors' current accounts | **3,119,954** | 3,312,290 | **-** | - |
| Deferred tax asset | **159,992** | 165,947 | **72,564** | 66,994 |
| Prepayments | **392,700** | 76,625 | **-** | - |
| | **18,113,672** | 9,683,405 | **19,729,028** | 18,832,722 |

Deferred tax asset

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **£** | £ | **£** | £ |
| Deferred tax | **159,992** | 165,947 | **72,564** | 66,994 |

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **£** | £ | **£** | £ |
| Trade creditors | **4,376,321** | 1,934,845 | **-** | - |
| Amounts owed to group undertakings | **-** | - | **6** | 6 |
| Tax | **926,521** | 185,630 | **215,702** | 309,264 |
| Social security and other taxes | **169,136** | 146,231 | **-** | - |
| VAT | **912,061** | 367,847 | **-** | - |
| Other creditors | **30,070** | 32,213 | **-** | - |
| Directors' current accounts | **271,485** | - | **-** | - |
| Accrued expenses | **672,791** | 292,913 | **-** | - |
| | **7,358,385** | 2,959,679 | **215,708** | 309,270 |



continued...

## 17. DEFERRED TAX

### Group

| | £ |
|---|---|
| Balance at 1 November 2021 | **(165,947)** |
| Provided during year | **5,955** |
| Accelerated capital allowances | |
| Balance at 31 October 2022 | **(159,992)** |

### Company

| | £ |
|---|---|
| Balance at 1 November 2021 | **(66,994)** |
| Accelerated capital allowances | **(5,570)** |
| Balance at 31 October 2022 | **(72,564)** |

## 18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2022 £ | 2021 £ |
|---|---|---|---|---|
| 200 | Ordinary | £1 | **200** | 200 |
| 3 | B Ordinary | £1 | **3** | 3 |
| | | | **203** | 203 |

## 19. NON-CONTROLLING INTERESTS

As at the reporting date, the group owned 80% of Abbey Engineered Products Limited. At this date, reserves attributable to holdings outside of the group totalled £296,252 (2021: £283,714).

## 20. RELATED PARTY DISCLOSURES

Included in debtors is an amount due from Mrs J M & Mr RS Neal, who are both directors of all related companies and are the ultimate controlling parties. The loan is as follows:

| | Balance brought forward as at 01/11/2021 £ | Undrawn Net Salary, Dividends and Capital Introduced £ | Drawings £ | Balance carried forward as at 31/10/2022 £ |
|---|---|---|---|---|
| Mrs J M and Mr R S Neal | (3,275,537) | 4,305,025 | (4,460,608) | (3,119,954) |

The loan has no fixed dates for repayment and no credit or debit interest is applied to the balance.

The directors consider themselves to be the only key management personnel. See note 5 for their compensation.



continued...

21. **POST BALANCE SHEET EVENTS**

The ongoing conflict in Ukraine has been considered by the Directors with particular reference to the impact on the performance reported at the balance sheet date, and for the following twelve months. As the group and its supply chain do not rely heavily on trade with jurisdictions directly impacted by the war (either as a direct result of the conflict, or by any sanctions imposed on them) it is felt that any detrimental impact to the group and its results will be extremely low, and certainly immaterial to the results reported for FY 2022.

Furthermore, the Autumn and Winter of 2022 saw unprecedented increases in energy prices, which has a direct consequence to the operating costs of the group. Having assessed the impact of this, the Directors believe it to be mitigated somewhat due to the sales pricing strategies being adopted by the sales team.

Whilst it remains to be seen what the impact these global crises will have on the wider economy in the longer term, and in particular the cost of materials, and the energy required to process these materials, the Directors are of the opinion there is no question at all about the group's ability to continue trading for the next 12 months and ultimately beyond this, at this moment in time.

22. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr and Mrs Neal.

23. **POWER TO AMEND FINANCIAL STATEMENTS**

The directors have the power to amend the financial statements after they have been issued.