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REGISTRAR

ABI (UK) Limited

Report and Financial Statements

31 August 2012

TUESDAY

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COMPANIES HOUSE

Directors
M G Copper
R J Jones
D A Hague

Secretary
R J Jones

Auditors
Ernst & Young LLP
PO Box 3
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Lowgate
Hull HU1 1JJ

Bankers
Barclays Bank PLC
6 East Parade
Leeds LS1 2UX

Solicitors
DLA LLP
Princes Exchange
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Leeds LS1 4BY

Registered Office
Swinemoor Lane
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East Yorkshire HU17 0LJ

Registered No 3553786

Directors' report

The directors present their report and financial statements for the year ended 31 August 2012

Results and dividends

The profit for the year, after taxation, amounted to £5,826,000 (2011 – profit of £6,479,000)

The company has paid an interim dividend of £2,650,000 (2011 – £700,000) during the year The company does not propose a final dividend for the year ended 31 August 2012

Preference dividends of £nil (2011 – £nil) were declared during the year See note 8 for further information

Principal activities and review of the business

The principal activity of the company is the manufacture and sale of Caravan Holiday Homes

The core market for our products decreased during the financial year (8%) and manufacturing capacity was reduced accordingly to ensure the business production output remained consistent with this change in demand

Future developments

The directors anticipate that their core market will remain flat during the current financial year

Principal risks and uncertainties

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

Financial key performance indicators

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

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

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

Going concern

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

Directors' report (continued)

Directors

The directors who served the company during the year were as follows

M G Copper
R J Jones
D A Hague

Employees

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

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

Disclosure of information to the auditors

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

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board

R J Jones
Secretary
3 December 2012

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent auditors' report

to the members of ABI (UK) Limited

We have audited the financial statements of ABI (UK) Limited for the year ended 31 August 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 20 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the 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 Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2012 and of its 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report (continued)

to the members of ABI (UK) Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

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

Profit and loss account

for the year ended 31 August 2012

	Notes	*2012* *£000*	*2011* *£000*
Turnover	2	60,380	58,270
Cost of sales		(50,944)	(47,256)
Gross profit		9,436	11,014
Administrative expenses		(1,502)	(1,865)
Operating profit	3	7,934	9,149
Interest receivable and similar income		2	2
Interest payable and similar charges	6	(113)	(181)
Profit on ordinary activities before taxation		7,823	8,970
Tax	7	(1,997)	(2,491)
Profit for the financial year	14	5,826	6,479

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 31 August 2012

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £5,826,000 in the year ended 31 August 2012 (2011 – profit of £6,479,000)

Note of historical cost profits and losses

	2012 *£000*	*2011* *£000*
Reported profit on ordinary activities before taxation	7,823	8,970
Excess of actual depreciation charge over historical cost depreciation	7	7
Historical cost profit on ordinary activities before taxation	7,830	8,977

Balance sheet

at 31 August 2012

	Notes	2012 £000	2011 £000
Fixed assets			
Tangible assets	9	3,959	3,886
Current assets			
Stocks	10	2,392	2,570
Debtors	11	36,976	35,276
Cash at bank and in hand		1,505	539
		40,873	38,385
Creditors: amounts falling due within one year	12	(7,230)	(7,845)
Net current assets		33,643	30,540
Total assets less current liabilities		37,602	34,426
Provisions for liabilities			
Deferred taxation	7(c)	–	–
Net assets		37,602	34,426
Capital and reserves			
Issued share capital	13	7,059	7,059
Revaluation reserve	14	1,189	1,196
Profit and loss account	14	29,354	26,171
Shareholders' funds	15	37,602	34,426

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

M G Copper

Director

3 December 2012

Notes to the financial statements

at 31 August 2012

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Statement of cash flows

The directors have taken advantage of the exemption in Financial Reporting Statement No 1 (revised) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes group financial statements

Tangible fixed assets

Tangible fixed assets, other than land and buildings, are stated at their purchase cost, together with any incidental costs of acquisition

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, using the straight line method over the expected useful economic lives of the assets concerned The principal annual rates used for this purpose are

Land	–	nil
Buildings	–	2%
Plant and machinery	–	20%
Motor vehicles	–	20%
Office equipment	–	20%

Land and buildings are held at valuation on the basis of open market value for existing use based on valuations carried out every three years by independent professional valuers and updated on an annual basis by the directors after taking advice from independent professional advisers

Stocks

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

Deferred taxation

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

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold, and

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Notes to the financial statements

at 31 August 2012

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date that the transaction occurred Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at 31 August 2012 Exchange differences are taken to the profit and loss account

Finance and operating leases

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

Revenue recognition

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

Sale of goods

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

Pensions

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

2. Turnover

Turnover originates in the UK from the company's continuing principal activity, being the manufacture and sales of leisure homes Turnover, which excludes value added tax, is analysed by geographical area below

	2012	*2011*
	£000	*£000*
UK	58,931	57,503
Europe (excluding United Kingdom)	1,449	767
	60,380	58,270

Notes to the financial statements

at 31 August 2012

3. Operating profit

This is stated after charging

	2012	*2011*
	£000	*£000*
Auditors' remuneration		
– audit services	40	37
– other services	8	8
Depreciation charge for the year		
– tangible owned fixed assets	176	157
Operating leases		
– hire of plant and machinery	38	38
– hire of land and buildings	104	81

Included within auditors' remuneration for audit services, is £6,000 in respect of the audit, of ABI (UK) Holdings Limited, ABI (UK) Group Limited, ABI Alpha Limited and ABI Beta Limited

4. Directors' remuneration

The remuneration paid or repayable to the company's directors are

	2012	*2011*
	£000	*£000*
Aggregate remuneration		
Remuneration	575	845
Contributions to money purchase pension schemes	40	39
	615	884
In respect of the highest paid director		
Remuneration	222	402
Contributions to money purchase pension schemes	28	28
Aggregate remuneration	250	430

There are 2 directors accruing retirement benefits under money purchase pension schemes (2011 – 2)

Notes to the financial statements

at 31 August 2012

5. Staff costs

	2012 £000	2011 £000
Wages and salaries	9,781	9,747
Social security costs	1,011	996
Employer pension contributions	40	38
	10,832	10,781

The average monthly number of persons (including executive directors), employed by the company during the year was

	No	No
Production	311	313
Office and management	27	27
	338	340

6. Interest payable and similar charges

	2012 £000	2011 £000
Interest payable on amounts wholly due within five years		
Interest and charges on financing of trade debtors	113	181
Other interest payable	–	–
	113	181

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2012 £000	2011 £000
Current tax:		
UK corporation tax on profit of the year	1,389	2,207
Group relief payable	585	228
Adjustment in respect of previous year	(8)	–
Total current tax (note 7(b))	1,966	2,435
Deferred tax:		
Origination and reversal of timing differences		
– current year	29	55
– prior year	2	1
Total deferred tax	31	56
Tax on profit on ordinary activities	1,997	2,491

Notes to the financial statements

at 31 August 2012

7. Tax (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 25 16% (2011 – 27 16%) The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	7,823	8,970
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25 16% (2011 – 27 16%)	1,968	2,436
Effects of		
Expenses not deductible for tax purposes	35	54
Depreciation in excess of capital allowances	(11)	(25)
Adjustment in respect of previous year	(8)	–
Other timing differences	(18)	(31)
Marginal relief	–	1
Current tax for the year (note 7(a))	1,966	2,435

(c) Deferred tax

	2012 £000	2011 £000
Accelerated capital allowances	41	34
Other timing differences	(42)	(66)
Provision for deferred tax	(1)	(32)

	£000	£000
At 1 September	(32)	(88)
Deferred tax charge in profit and loss account for year (note 7(a))	29	55
Deferred tax charge in profit and loss account for prior year (note 7(a))	2	1
At 31 August – included in debtors (note 11)	(1)	(32)

(d) Factors that may affect future tax charges

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

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

Notes to the financial statements

at 31 August 2012

8. Dividends

	2012	*2011*
	£000	*£000*
Waived preference dividend	–	–
Dividend on ordinary shares	2,650	700
	2,650	700

Preference shareholders have waived their right to receive preference dividends in the current and prior year

9. Tangible fixed assets

	Land and buildings	*Plant and machinery*	*Motor vehicles*	*Office equipment*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Cost					
At 1 September 2011	3,120	1,928	159	712	5,919
Additions	–	187	26	36	249
Disposals	–	(160)	–	(175)	(335)
At 31 August 2012	3,120	1,955	185	573	5,833
Depreciation					
At 1 September 2011	–	1,359	108	566	2,033
Charge for the year	37	80	23	36	176
Disposals	–	(160)	–	(175)	(335)
At 31 August 2012	37	1,279	131	427	1,874
Net book value					
At 31 August 2012	3,083	676	54	146	3,959
At 1 September 2011	3,120	569	51	146	3,886

The net book value of plant and machinery above includes an amount of £nil (2011 – £nil) in respect of assets held under hire purchase finance

The land and buildings were revalued as at 31 August 2011 by external Independent Chartered Surveyors, DTZ Debenham Tie Leung on the basis of open market value for existing use

If the properties had never been valued they would have been included in the balance sheet at the following amounts

	2012	*2011*
	£000	*£000*
Historical cost	2,112	2,112
Depreciation based on historical cost	(387)	(357)
Net book value based on historical cost	1,725	1,755

Notes to the financial statements

at 31 August 2012

10. Stocks

	2012	*2011*
	£000	*£000*
Raw materials and consumables	1,218	1,421
Work in progress	990	899
Finished goods	184	250
	2,392	2,570

The replacement cost of the above stocks is not significantly different from the book values

11. Debtors

	2012	*2011*
	£000	*£000*
Debtors falling due within one year		
Trade debtors	14,314	13,767
Other debtors	501	541
Prepayments and accrued income	299	298
Deferred tax	1	32
	15,115	14,638
Debtors falling due after one year		
Amounts owed by group undertakings	21,861	20,638
	36,976	35,276

12. Creditors: amounts falling due within one year

	2012	*2011*
	£000	*£000*
Bank overdraft	–	–
Financing of trade debtors	–	–
Total debt	–	–
Trade creditors	5,707	5,087
Corporation tax	481	1,107
Other taxation and social security	219	231
Other creditors	246	337
Accruals and deferred income	577	1,083
	7,230	7,845

The financing of trade debtors is secured by a fixed and floating charge over the assets of the company

Notes to the financial statements

at 31 August 2012

13. Issued share capital

Allotted, called up and fully paid	*No*	*2012* *£000*	*No*	*2011* *£000*
Ordinary shares of £1 each	2,000,000	2,000	2,000,000	2,000
6% cumulative preference shares of £1 each	3,000,000	3,000	3,000,000	3,000
15% cumulative preference shares of £1 each	2,059,000	2,059	2,059,000	2,059
		7,059		7,059

The 15% cumulative preference shares carry a fixed cumulative preferential dividend at the rate of 15% per annum The 6% cumulative preference shares carry a fixed cumulative preferential dividend at the rate of 6% per annum The preference shares carry the right on winding up the company or other return of capital of the company, in priority to the holders of any other classes of shares, to the amount in respect of each preference share held equal to the amount paid up thereon and any premium paid The preference shares carry no other rights to shares in the profits or assets of the company All rights to preference dividends have been waived by shareholders and as a result the shares are retained within equity

14. Movement on reserves

	Revaluation reserve *£000*	*Profit and loss account* *£000*
At 1 September 2011	1,196	26,171
Retained profit	–	5,826
Dividends	–	(2,650)
Transfer in respect of depreciation on revalued fixed assets	(7)	7
At 31 August 2012	1,189	29,354

15. Reconciliation of shareholders' funds

	2012 *£000*	*2011* *£000*
Opening shareholders' funds	34,426	29,041
Profit for the year	5,826	6,479
Dividends	(2,650)	(700)
Revaluation of land and buildings	–	(394)
Closing shareholders' funds	37,602	34,426

16. Capital commitments

Capital expenditure that has been contracted for but has not been provided for in the financial statements was £nil (2011 – £nil)

Notes to the financial statements

at 31 August 2012

17. Pensions

The company operates a defined contribution and stakeholder pension scheme whereby contributions are made to the scheme operated by a number of major insurance companies The amount charged to the profit and loss account is disclosed in note 5 There are no outstanding contributions at the year-end (2011 - £nil)

18. Other financial commitments

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

	2012 Land and buildings £000	*2012* Other £000	*2011* Land and buildings £000	*2011* Other £000
Operating leases which expire				
Within one year	–	3	–	7
In two to five years	–	24	–	10
Over five years	104	–	81	–
	104	27	81	17

19. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing related party transactions on the grounds that the group financial statements of the parent undertaking are publicly available

20. Ultimate controlling party

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

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

The largest group in which the results of the company are consolidated is that headed by Legal & General Group Plc Copies of the group financial statements of the ultimate parent undertaking, Legal & General Group Plc are available on the group website,www legalandgeneralgroup com or from the company secretary at the registered office One Coleman Street, London, EC2R 5AA